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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

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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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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)

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



2nd Quarter
Report

Staying on Course

with Strong Community Banking

 **FIRST COMMERCE BANCORP™**

We are pleased to report strong financial results for the first half.

For the six months ended June 30, 2006, First Commerce Bancorp recorded net income on a consolidated basis of \$1,399,000 as compared to net income of \$1,167,000 for the same period last year, an increase of 20%.

The following are additional financial results for the six months ended June 30, 2006:

- Assets increased to \$254,809,000, compared to \$219,252,000 for the same period last year, a 16% improvement.
- Net loans increased to \$186,810,000, up 24% compared to \$150,060,000 for the same period last year.
- Deposits increased to \$223,147,000, compared to \$196,890,000, a 13% improvement from a year ago.

The capital offering commenced in May and was successfully concluded in June. Over \$6,000,000 was raised by selling in excess of 1,200,000 shares of our common stock at \$5 per share. Five million dollars of this amount will be contributed to First Commerce Bank to support its continuing growth.

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

June 30, 2006 and 2005 (Unaudited)

Assets	2006	2005
Cash and Due from Banks	\$ 17,321,000	\$ 13,545,000
Federal Funds Sold	11,575,000	22,000,000
TOTAL CASH AND CASH EQUIVALENTS	28,896,000	35,545,000
Interest-bearing Deposits in Other Banks	4,612,000	3,217,000
Investment in First Commerce Bancorp Statutory Trust	155,000	155,000
Securities Available for Sale	30,738,000	27,300,000
Federal Home Loan Bank Stock	1,018,000	856,000
Loans, net	186,810,000	150,060,000
Leasehold Improvements and Equipment, net	381,000	265,000
Accrued Interest and Other Assets	1,360,000	1,240,000
Deferred Tax Assets	839,000	614,000
TOTAL ASSETS	\$254,809,000	\$219,252,000

Liabilities and Stockholders' Equity

LIABILITIES		
Noninterest-bearing Demand	\$ 80,793,000	\$ 75,933,000
Money Market and NOW	111,417,000	105,397,000
Savings	1,461,000	1,401,000
Time Deposits under \$100,000	3,551,000	3,976,000
Time Deposits \$100,000 and over	25,925,000	10,183,000
TOTAL DEPOSITS	223,147,000	196,890,000
Junior Subordinated Debentures	5,155,000	5,155,000
Accrued Interest and Other Liabilities	1,554,000	1,419,000
TOTAL LIABILITIES	\$229,856,000	\$ 203,464,000

STOCKHOLDERS' EQUITY

Common Stock, no par value, 15,000,000 shares authorized; issued and outstanding 8,858,171 in 2006 and 7,576,106 in 2005	\$ 19,934,000	\$ 13,726,000
Additional Paid-in Capital	63,000	0
Retained Earnings	5,106,000	2,173,000
Accumulated Comprehensive Loss	(150,000)	(111,000)
TOTAL STOCKHOLDERS' EQUITY	\$ 24,953,000	\$ 15,788,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$254,809,000	\$219,252,000

CONSOLIDATED STATEMENTS OF INCOME

For Six Months Ended June 30, 2006 and 2005 (Unaudited)

	2006	2005
Interest income on:		
Loans	\$7,066,000	\$5,200,000
Securities	671,000	290,000
Federal Funds Sold	250,000	372,000
Other	96,000	46,000
TOTAL INTEREST INCOME	\$8,083,000	\$5,908,000

Interest expense on:		
Deposits	\$2,160,000	\$1,171,000
Other Borrowings	208,000	148,000
TOTAL INTEREST EXPENSE	\$ 2,368,000	\$1,319,000

NET INTEREST INCOME	\$5,715,000	\$4,589,000
Provision for Loan Losses	284,000	82,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$5,431,000	\$4,507,000

Noninterest income:		
Service Charges and Fees	\$ 294,000	\$ 302,000
Gain on Sale of SBA Loans	28,000	116,000
Other	95,000	85,000
TOTAL NONINTEREST INCOME	\$ 417,000	\$ 503,000

Noninterest expense:		
Salaries, Wages, and Employee Benefits	\$2,150,000	\$1,780,000
Occupancy and Equipment	338,000	303,000
Data Processing	206,000	158,000
Other	740,000	757,000
TOTAL NONINTEREST EXPENSE	\$3,434,000	\$2,998,000

Income before Income Tax Expense	\$2,414,000	\$2,012,000
Income Tax Expense	1,015,000	845,000
NET INCOME	\$1,399,000	\$ 1,167,000

Per-share data:		
Basic Earnings per Share	\$ 0.18	\$ 0.15
Diluted Earnings per Share	\$ 0.18	\$ 0.14