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Kidney Consultants Medical Group

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Ramachandran Srinivasan, M.D., Inc.

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FIRST COMMERCE BANK

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 **FIRST COMMERCE BANCORP™**

Leading the way for business

OFFICES

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Corporate Headquarters**
16861 Ventura Boulevard
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Glendale Regional Office
100 W. Broadway, Suite 510
Glendale, California 91210
(818) 637-2265
(818) 637-2260 (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

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
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3rd Quarter
Report

Staying on Course

with Strong Community Banking

 **FIRST COMMERCE BANCORP™**

We are pleased to report that First Commerce Bancorp's strong earnings performance for 2006 is once again ahead of the Bancorp's Strategic Business Plan.

For the nine months ended September 30, 2006, First Commerce Bancorp reported net income on a consolidated basis of \$2,322,000 as compared to net income of \$1,869,000 for the same period last year, an increase of 24%. The Company has now reported 28 consecutive profitable quarters.

The following are additional financial results as of and for the nine months ended September 30, 2006:

- Assets increased to \$265,154,000 from \$239,578,000 for the same period last year, an 11% improvement.
- Net loans increased to \$197,489,000, up 30% from \$152,005,000 at September 30, 2005.
- Deposits were \$232,532,000 compared to \$216,382,000, a 7% improvement from a year ago.
- The efficiency ratio improved to 53% as compared to 56% a year ago.

To enhance growth and expand production efficiency and versatility, First Commerce Bank is developing new Internet banking services. These services will be introduced individually over the course of the next several months.

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/Chief Executive Officer



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

September 30, 2006 and 2005 (Unaudited)

Assets	2006	2005
Cash and Due from Banks	\$ 16,864,000	\$ 15,699,000
Federal Funds Sold	11,500,000	30,500,000
TOTAL CASH AND CASH EQUIVALENTS	28,364,000	46,199,000
Interest-bearing Deposits in Other Banks	4,710,000	3,817,000
Investment in First Commerce Bancorp Statutory Trust	155,000	155,000
Securities Available for Sale	25,341,000	34,220,000
Federal Home Loan Bank Stock	1,031,000	865,000
Loans, net	197,489,000	152,005,000
Leasehold Improvements and Equipment, net	370,000	321,000
Accrued Interest and Other Assets	6,899,000	1,359,000
Deferred Tax Assets	795,000	637,000
TOTAL ASSETS	\$265,154,000	\$239,578,000

Liabilities and Stockholders' Equity

LIABILITIES	2006	2005
Noninterest-bearing Demand	\$ 84,400,000	\$ 84,596,000
Money Market and NOW	109,999,000	116,117,000
Savings	1,327,000	1,424,000
Time Deposits under \$100,000	3,804,000	3,493,000
Time Deposits \$100,000 and over	33,002,000	10,752,000
TOTAL DEPOSITS	232,532,000	216,382,000
Junior Subordinated Debentures	5,155,000	5,155,000
Accrued Interest and Other Liabilities	1,491,000	1,563,000
TOTAL LIABILITIES	\$239,178,000	\$ 223,100,000

STOCKHOLDERS' EQUITY

Common Stock, no par value, 15,000,000 shares authorized; issued and outstanding 8,858,171 in 2006 and 7,591,106 in 2005	\$ 19,932,000	\$ 13,749,000
Additional Paid-in Capital	95,000	0
Retained Earnings	6,028,000	2,875,000
Accumulated Comprehensive Loss	(79,000)	(146,000)
TOTAL STOCKHOLDERS' EQUITY	\$ 25,976,000	\$ 16,478,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$265,154,000	\$239,578,000

CONSOLIDATED STATEMENTS OF INCOME

For Nine Months Ended September 30, 2006 and 2005 (Unaudited)

	2006	2005
Interest income on:		
Loans	\$11,191,000	\$8,111,000
Securities	1,045,000	536,000
Federal Funds Sold	418,000	564,000
Other	177,000	97,000
TOTAL INTEREST INCOME	\$12,831,000	\$9,308,000

Interest expense on:		
Deposits	\$ 3,577,000	\$1,986,000
Borrowings	319,000	232,000
TOTAL INTEREST EXPENSE	\$ 3,896,000	\$2,218,000

NET INTEREST INCOME	\$ 8,935,000	\$7,090,000
Provision for Loan Losses	484,000	132,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$ 8,451,000	\$6,958,000

Noninterest income:		
Service Charges and Fees	\$ 429,000	\$ 460,000
Gain on Sale of SBA Loans	28,000	143,000
Other Income	203,000	135,000
TOTAL NONINTEREST INCOME	\$ 660,000	\$ 738,000

Noninterest expense:		
Salaries, Wages, and Employee Benefits	\$ 3,210,000	\$2,616,000
Occupancy and Equipment	506,000	453,000
Data Processing	327,000	239,000
Other Operating Expenses	1,066,000	1,166,000
TOTAL NONINTEREST EXPENSE	\$ 5,109,000	\$4,474,000

Income before Income Tax Expense	\$ 4,002,000	\$3,222,000
Income Tax Expense	1,680,000	1,353,000
NET INCOME	\$ 2,322,000	\$ 1,869,000

Per-share data:		
Basic Earnings per Share	\$ 0.30	\$ 0.25
Diluted Earnings per Share	\$ 0.29	\$ 0.23