

## 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

**RICKEY M. GELB**

Gelb Enterprises

**SANDY GOLDMAN**

BFI-Browning Ferris Industries

**GREGORY N. LIPPE, C.P.A.**

Lippe, Hellie, Hoffer & Allison LLP

**VENKA G. REDDY, Ph.D.**

Oriental Foods, Inc.

**NARESH C. SAXENA, M.D.**

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

**RAMACHANDRAN SRINIVASAN, M.D.**

Ramachandran Srinivasan, M.D., Inc.

**BURTON N. STERMAN, C.P.A.**

Brown and Sterman, Inc. CPAs

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## 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, Senior Commercial Loan Officer

**JAY NARAYAN**

Senior Vice President, Relationship Manager

**PAUL PFLUEGER**

Senior Vice President, Real Estate and Commercial Banking

**STEVE SOELBERG**

Senior Vice President, Manager, Real Estate Loans

**TRACY SPICER**

Senior Vice President, Chief Risk Officer

**JAN MARANTZ**

Vice President, Corporate Secretary

## FIRST COMMERCE BANK

Please visit us at  
[www.fcb.la](http://www.fcb.la)

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

### 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)



 **FIRST COMMERCE BANCORP™**  
*Leading the way for business*

 **FIRST COMMERCE BANCORP™**

2nd  
Quarter  
Report

We are pleased to report another record first half.

For the six months ended June 30, 2007, First Commerce Bancorp recorded net income on a consolidated basis of \$1,747,000 as compared to net income of \$1,399,000 for the same period last year, an increase of 25%.

The following are additional financial results for the six months ended June 30, 2007:

- Assets increased to \$276,726,000, compared to \$254,809,000 for the same period last year, a 9% improvement.
- Deposits increased to \$241,153,000, compared to \$223,147,000, an 8% improvement from a year ago.
- Net loans increased to \$229,784,000, up 23% compared to \$186,810,000 for the same period last year.
- The efficiency ratio improved to 54% as compared to 56% a year ago.

During the first half, new deposits were difficult to attract due to strong competition. On the other hand, loan demand continues greater than anticipated and should have a positive impact on our future earnings.

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, 2007 and 2006 (Unaudited)

Assets	2007	2006
Cash and Due from Banks	\$ 16,648,000	\$ 17,321,000
Federal Funds Sold	14,830,000	11,575,000
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>31,478,000</b>	<b>28,896,000</b>
Investment in First Commerce Bancorp Statutory Trust I	\$ 155,000	\$ 155,000
Securities Available for Sale	5,710,000	30,738,000
Federal Home Loan Bank Stock	1,073,000	1,018,000
Loans, net	229,784,000	186,810,000
Leasehold Improvements and Equipment, net	436,000	381,000
Accrued Interest and Other Assets	1,455,000	5,972,000
Split-dollar Life Insurance	5,602,000	-
Deferred Tax Assets	1,033,000	839,000
<b>TOTAL ASSETS</b>	<b>\$276,726,000</b>	<b>\$254,809,000</b>

### Liabilities and Stockholders' Equity

LIABILITIES		
Deposits		
Noninterest-bearing Demand	\$ 81,391,000	\$ 80,793,000
Money Market and NOW	112,024,000	111,417,000
Savings	1,377,000	1,461,000
Time Deposits under \$100,000	4,431,000	3,551,000
Time Deposits \$100,000 and over	41,930,000	25,925,000
<b>TOTAL DEPOSITS</b>	<b>241,153,000</b>	<b>223,147,000</b>
Junior Subordinated Debentures	5,155,000	5,155,000
Accrued Interest and Other Liabilities	1,479,000	1,554,000
<b>TOTAL LIABILITIES</b>	<b>\$247,787,000</b>	<b>\$ 229,856,000</b>

### STOCKHOLDERS' EQUITY

Serial preferred stock, 20,000,000 shares authorized; issued and outstanding, none	-	-
Common Stock, no par value, 15,000,000 shares authorized; issued and outstanding 8,881,921 in 2007 and 7,601,106 in 2006	\$ 19,965,000	\$ 19,934,000
Additional Paid-in Capital	222,000	63,000
Retained Earnings	8,775,000	5,106,000
Accumulated Comprehensive Loss	(23,000)	(150,000)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>\$ 28,939,000</b>	<b>\$ 24,953,000</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$276,726,000</b>	<b>\$254,809,000</b>

## CONSOLIDATED STATEMENTS OF INCOME

For Six Months Ended June 30, 2007 and 2006 (Unaudited)

	2007	2006
Interest income on:		
Loans	\$8,978,000	\$7,066,000
Securities	231,000	671,000
Federal Funds Sold	453,000	250,000
Other	98,000	96,000
<b>TOTAL INTEREST INCOME</b>	<b>\$9,760,000</b>	<b>\$8,083,000</b>
Interest expense on:		
Money Market and NOW	\$ 1,992,000	\$1,670,000
Savings Deposits	16,000	16,000
Time Deposits	1,070,000	474,000
Other Borrowings	293,000	208,000
<b>TOTAL INTEREST EXPENSE</b>	<b>\$ 3,371,000</b>	<b>\$2,368,000</b>
<b>NET INTEREST INCOME</b>	<b>\$6,389,000</b>	<b>\$5,715,000</b>
Provision for Loan Losses	392,000	284,000
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>\$5,997,000</b>	<b>\$5,431,000</b>
Noninterest income:		
Service Charges and Fees	\$ 275,000	\$ 294,000
Gain on Sale of SBA Loans	17,000	28,000
Increase in Cash Surrender Value of Split-dollar Life Insurance	119,000	-
Other Income	127,000	95,000
<b>TOTAL NONINTEREST INCOME</b>	<b>\$ 538,000</b>	<b>\$ 417,000</b>
Noninterest expense:		
Salaries, Wages, and Employee Benefits	\$2,394,000	\$2,150,000
Occupancy and Equipment	353,000	338,000
Other	967,000	946,000
<b>TOTAL NONINTEREST EXPENSE</b>	<b>\$3,714,000</b>	<b>\$3,434,000</b>
Income before Income Tax Expense	\$2,821,000	\$2,414,000
Income Tax Expense	1,074,000	1,015,000
<b>NET INCOME</b>	<b>\$1,747,000</b>	<b>\$1,399,000</b>