

## 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™**

3rd  
Quarter  
Report

To Our Shareholders, Clients and Friends:

We are pleased to report on First Commerce Bancorp's progress so far this year. For the nine months ended September 30, 2007, First Commerce Bancorp recorded net income on a consolidated basis of \$2,612,000 as compared to net income of \$2,322,000 for the same period last year, an increase of 13%.

At September 30, 2007, total assets increased to \$289,885,000 from \$265,154,000 or 9% higher than a year ago. Net loans increased to \$247,659,000 from \$197,489,000 or 25% higher than a year ago. Total deposits grew to \$253,560,000 from \$232,532,000, a 9% improvement from a year ago.

The efficiency ratio was 53% at September 30, 2007, matching last year. Capital ratios remain above the required levels for a "well-capitalized" institution as designated by regulatory agencies.

While the banking industry is experiencing slower growth, increasing expenses and falling net interest margins, First Commerce Bancorp continues to record consistent earnings. In such a challenging business environment, we pride ourselves on conservative underwriting. Years ago, we made a strategic decision to avoid sub-prime residential real estate lending. Today, it is clear that that was a good decision. With our talented and seasoned management team, we have achieved profitable and conservative growth in good times and in bad. We believe we are well positioned to take advantage of future opportunities.

On behalf of the Board of Directors, our management and staff, we would like to express our gratitude for your continued support, trust and patronage. We invite you to visit us in our Encino, Brentwood or Glendale offices 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

September 30, 2007 and 2006 (Unaudited)

Assets	2007	2006
Cash and Due from Banks	\$ 16,398,000	\$ 21,574,000
Federal Funds Sold	10,000,000	11,500,000
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>26,398,000</b>	<b>33,074,000</b>
Investment in First Commerce Bancorp Statutory Trust I	\$ 155,000	\$ 155,000
Securities Available for Sale	5,734,000	25,341,000
Federal Home Loan Bank Stock	1,087,000	1,031,000
Loans, net	247,659,000	197,489,000
Leasehold Improvements and Equipment, net	451,000	370,000
Accrued Interest and Other Assets	1,704,000	1,297,000
Split-dollar Life Insurance	5,664,000	5,602,000
Deferred Tax Assets	1,033,000	795,000
<b>TOTAL ASSETS</b>	<b>\$289,885,000</b>	<b>\$265,154,000</b>

## Liabilities and Stockholders' Equity

LIABILITIES	2007	2006
Deposits		
Noninterest-bearing Demand	\$ 74,466,000	\$ 84,400,000
Money Market and NOW	128,524,000	109,999,000
Savings	1,213,000	1,327,000
Time Deposits under \$100,000	4,539,000	3,804,000
Time Deposits \$100,000 and over	44,818,000	33,002,000
<b>TOTAL DEPOSITS</b>	<b>253,560,000</b>	<b>232,532,000</b>
Junior Subordinated Debentures	5,155,000	5,155,000
Accrued Interest and Other Liabilities	1,299,000	1,491,000
<b>TOTAL LIABILITIES</b>	<b>\$260,014,000</b>	<b>\$ 239,178,000</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 8,883,171 in 2007 and 8,858,171 in 2006	\$ 19,967,000	\$ 19,932,000
Additional Paid-in Capital	273,000	95,000
Retained Earnings	9,640,000	6,028,000
Accumulated Comprehensive Loss	(9,000)	(79,000)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>\$ 29,871,000</b>	<b>\$ 25,976,000</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$289,885,000</b>	<b>\$265,154,000</b>

## CONSOLIDATED STATEMENTS OF INCOME

For Nine Months Ended September 30, 2007 and 2006 (Unaudited)

	2007	2006
Interest income on:		
Loans	\$13,883,000	\$11,191,000
Securities	295,000	1,045,000
Federal Funds Sold	734,000	418,000
Other	113,000	177,000
<b>TOTAL INTEREST INCOME</b>	<b>\$15,025,000</b>	<b>\$12,831,000</b>
Interest expense on:		
Money Market and NOW	\$ 3,159,000	\$ 2,683,000
Savings Deposits	24,000	25,000
Time Deposits	1,668,000	869,000
Other Borrowings	468,000	319,000
<b>TOTAL INTEREST EXPENSE</b>	<b>\$ 5,319,000</b>	<b>\$ 3,896,000</b>
<b>NET INTEREST INCOME</b>	<b>\$ 9,706,000</b>	<b>\$ 8,935,000</b>
Provision for Loan Losses	643,000	484,000
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>\$ 9,063,000</b>	<b>\$ 8,451,000</b>
Noninterest income:		
Service Charges and Fees	\$ 403,000	\$ 429,000
Gain on Sale of SBA Loans	34,000	28,000
Increase in Cash Surrender Value of Split-dollar Life Insurance	181,000	-
Other Income	164,000	203,000
<b>TOTAL NONINTEREST INCOME</b>	<b>\$ 782,000</b>	<b>\$ 660,000</b>
Noninterest expense:		
Salaries, Wages, and Employee Benefits	\$ 3,618,000	\$ 3,210,000
Occupancy and Equipment	529,000	506,000
Other	1,394,000	1,393,000
<b>TOTAL NONINTEREST EXPENSE</b>	<b>\$ 5,541,000</b>	<b>\$ 5,109,000</b>
Income before Income Tax Expense	\$4,304,000	\$ 4,002,000
Income Tax Expense	1,692,000	1,680,000
<b>NET INCOME</b>	<b>\$2,612,000</b>	<b>\$ 2,322,000</b>