

## 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

---

## 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**

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

**Registrar and Transfer Company**

10 Commerce Drive  
Cranford, NJ 07016-3572  
(800) 368-5948

## 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 20, 2008 at our Corporate Headquarters, located at  
16861 Ventura Boulevard, Encino, California 91436.

 **FIRST COMMERCE BANCORP™**

**1st  
Quarter  
Report**

We are pleased to report another profitable first quarter. For the three months ended March 31, 2008, First Commerce Bancorp recorded net income on a consolidated basis of \$718,000 as compared to net income of \$815,000 for the same period last year, a reduction of 12%.

The following are additional financial results for the three months ended March 31, 2008:

- Assets increased to \$304,080,000, compared to \$274,418,000 for the same period last year, an 11% improvement.
- Deposits increased to \$265,705,000, compared to \$240,228,000, an 11% improvement from a year ago.
- Net loans increased to \$246,406,000, up 13% compared to \$218,977,000 for the same period last year.

The 12% year-over-year earnings reduction is the direct result of a first quarter \$321,000 provision to the Loan Loss Reserve. This sizeable provision is both a reflection of modest deterioration in the loan portfolio and recognition and acknowledgment of prevailing market conditions. The Bank has never engaged in the practice of subprime lending. The Bank's loan portfolio contains minimal non-accrual loans, no loans delinquent in excess of 90 days, no foreclosed properties, nor any properties in the process of foreclosure.

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, 2008 and 2007 (Unaudited)

Assets	2008	2007
Cash and Due from Banks	\$ 13,661,000	\$ 22,668,000
Federal Funds Sold	24,000,000	13,300,000
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>37,661,000</b>	<b>35,968,000</b>
Investment in First Commerce Bancorp Statutory Trust I	155,000	155,000
Securities Available for Sale	9,833,000	9,945,000
Federal Home Loan Bank Stock	1,116,000	1,060,000
Loans, net	246,406,000	218,977,000
Leasehold Improvements and Equipment, net	516,000	380,000
Accrued Interest and Other Assets	1,418,000	1,364,000
Split-dollar Life Insurance	5,787,000	5,542,000
Deferred Tax Assets	1,188,000	1,027,000
<b>TOTAL ASSETS</b>	<b>\$304,080,000</b>	<b>\$274,418,000</b>

### Liabilities and Stockholders' Equity

LIABILITIES		
Deposits		
Noninterest-bearing Demand	\$ 85,930,000	\$ 82,387,000
Money Market and NOW	137,160,000	109,770,000
Savings	1,198,000	1,360,000
Time Deposits under \$100,000	4,623,000	4,053,000
Time Deposits \$100,000 and over	36,794,000	42,658,000
<b>TOTAL DEPOSITS</b>	<b>265,705,000</b>	<b>240,228,000</b>
Junior Subordinated Debentures	5,155,000	5,155,000
Accrued Interest and Other Liabilities	1,439,000	1,083,000
<b>TOTAL LIABILITIES</b>	<b>272,299,000</b>	<b>\$246,466,000</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 8,922,421 in 2008 and 8,881,921 in 2007	\$ 20,057,000	\$ 19,965,000
Additional Paid-in Capital	419,000	174,000
Retained Earnings	11,258,000	7,843,000
Accumulated Comprehensive Loss	47,000	(30,000)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>\$ 31,781,000</b>	<b>\$ 27,952,000</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$304,080,000</b>	<b>\$274,418,000</b>

## CONSOLIDATED STATEMENTS OF INCOME

For Three Months Ended March 31, 2008 and 2007 (Unaudited)

	2008	2007
Interest income on:		
Loans	\$4,374,000	\$4,278,000
Securities	93,000	141,000
Federal Funds Sold	117,000	251,000
Other	17,000	80,000
<b>TOTAL INTEREST INCOME</b>	<b>\$4,601,000</b>	<b>\$4,750,000</b>
Interest expense on:		
Money Market and NOW	\$ 843,000	\$ 975,000
Savings Deposits	1,000	8,000
Time Deposits	421,000	521,000
Other Borrowings	131,000	107,000
<b>TOTAL INTEREST EXPENSE</b>	<b>\$1,396,000</b>	<b>\$1,611,000</b>
<b>NET INTEREST INCOME</b>	<b>\$3,205,000</b>	<b>\$3,139,000</b>
Provision for Loan Losses	321,000	201,000
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>\$2,884,000</b>	<b>\$2,938,000</b>
Noninterest income:		
Service Charges and Fees	\$ 161,000	\$ 187,000
Gain on Sale of SBA Loans	3,000	12,000
Increase in Cash Surrender Value of Split-dollar Life Insurance	61,000	59,000
Other Income	112,000	5,000
<b>TOTAL NONINTEREST INCOME</b>	<b>\$ 337,000</b>	<b>\$ 263,000</b>
Noninterest expense:		
Salaries, Wages and Employee Benefits	\$1,468,000	\$1,178,000
Occupancy and Equipment	195,000	171,000
Other	561,000	506,000
<b>TOTAL NONINTEREST EXPENSE</b>	<b>\$2,224,000</b>	<b>\$1,855,000</b>
Income before Income Tax Expense	\$ 996,000	\$1,346,000
Income Tax Expense	278,000	531,000
<b>NET INCOME</b>	<b>\$ 718,000</b>	<b>\$ 815,000</b>
Per-Share Data:		
Basic Earnings Per Share	\$ 0.08	\$ 0.09
Diluted Earnings Per Share	\$ 0.08	\$ 0.08