First Commerce Bank Reports Net Income of $3.35 Million for the First Quarter of 2023 and Declares a Quarterly Cash Dividend of $0.04 per Common Share

Lakewood, N.J. April 25, 2023 – First Commerce Bank (the "Bank") (OTC: CMRB) today reported net income of $3.35 million for the first quarter of 2023 as compared to $4.2 million for the first quarter of 2022. Basic earnings per common share for the first quarter of 2023 was $0.14 compared to $0.18 for the first quarter of 2022. The Board of Directors approved and declared a quarterly cash dividend of $0.04 per common share payable to shareholders on May 22, 2023, for shareholders of record as of May 8, 2023.

Regarding the performance of the Bank, President & CEO Donald Mindiak commented, "Balance sheet growth in the areas of cash and cash equivalents, loans receivable, net, and retail deposits from year-end levels has been encouraging. Recent industry events notwithstanding, the ability to attract quality credits as well as the retail and wholesale funding to support that growth bespeaks a sense of confidence in our vision, business acumen and risk management protocols to successfully navigate the current market uncertainty. Total interest income increased by $4.5 million or 38.8% to $16.2 million for the three months ended March 31, 2023 from $11.7 million for the three months ended March 31, 2022 which was offset by a $5.0 million increase in interest expense to $5.7 million for the three months ended March 31, 2023 from $713,000 for the three months ended March 31, 2022.

In addition, the migration to the Current Expected Credit Loss standard ("CECL") in conjunction with strong loan growth resulted in an additional provision for credit loss entry of $509,000 to appropriately account for the allowance for credit losses. Also due to a net decrease in unfunded commitments, a benefit for credit losses for unfunded commitments of $319,000 was recorded for the three months ended March 31, 2023. These entries amount to an increase of $190,000 being recorded in the provision for the three months ended March 31, 2023 as compared to a reversal from the provision of $775,000 for the three months ended March 31, 2022, resulting in an increase of $965,000 in the provision for the comparative quarterly periods. Non-interest income increased by $515,000 from the prior three-month period due primarily to a one-time benefit related to our Bank-Owned Life Insurance ("BOLI") investment. Non-interest expense increased 4.3% as compared to the first quarter of 2022, which is less that the rate of inflation as the management of non-interest expense continues to be an area of focus."

He continued, "Asset quality metrics continue to improve as Other Real Estate Owned ("OREO") balances of $4.0 million at year-end 2022 have all been sold, eliminating them from our balance sheet, and non-accrual loans decreased by $1.0 million during the first quarter of 2023 to $11.7 million, with a contract for sale for an additional $3.1 million non-accrual loan expected to close shortly. Lastly, the economic headwinds of persistent inflation, a greater possibility of a recession and the on-going turbulence within the banking industry remain as challenges we continue to address and overcome. Our strong capital position provides a sense of comfort that we possess the wherewithal to withstand these stress situations and continue to engage and execute, on behalf of our shareholders, those initiatives that build franchise and shareholder value."

Quarter End Financial Highlights

- Loans receivable, net increased by $70.0 million or 6.4% from year-end 2022 primarily as a result of growth in commercial and construction loans.
- Total interest income increased by $4.5 million or 38.8% from the first quarter of 2022 as a result of the growth in loans receivable, net, and investment securities.
- Net interest margin was 3.33% at March 31, 2023 as compared to 4.04% at March 31, 2022.
- Total deposits increased by $11.3 million or 1.1% during the first quarter of 2023 and $79.0 million year over year with a category breakdown at March 31, 2023 of 19.2% in non-interest bearing deposits, 4.6% in savings deposits, 24.7% in interest-bearing demand deposits and 51.5% in time deposits.
- Return on average equity was 7.44% at March 31, 2023 as compared to 9.73% at March 31, 2022.
- Return on average assets was 1.02% at March 31, 2023 as compared to 1.48% at March 31, 2022.

Balance Sheet Review

Total assets increased by $90.1 million or 7.0% to $1.38 billion at March 31, 2023 from $1.29 billion at December 31, 2022. The increase in total assets was primarily attributable to increases in cash and cash equivalent and loans receivable, net, funded by growth in retail deposits and wholesale borrowings, partially offset by a decrease in investment securities.

Total cash and cash equivalents increased by $23.4 million or 54.9% to $66.0 million at March 31, 2023 from $42.6 million at December 31, 2022. This increase was primarily due to an increase in Federal Home Loan Bank Advances during the quarter of $76.0 million to $135.0 million at March 31, 2023 from $59.0 million at December 31, 2022 and an increase in retail deposits of $11.3 million or 1.1% to $1.045 billion at March 31, 2023 from $1.034 billion at December 31, 2022.

Loans receivable, net, increased by $70.0 million or 6.4% to $1.17 billion at March 31, 2023 from $1.10 billion at December 31, 2022. Total loan increases for the quarter ended March 31, 2023 occurred primarily as a result of increases of $71.2 million in commercial mortgages and $2.5 million in construction loans, partially offset by a $4.3 million decrease in commercial loans. The allowance for credit losses increased by $783,000 to $18.6 million or 1.56% of gross loans at March 31, 2023 as compared to $17.8 million or 1.59% of gross loans at December 31, 2022.

Total investment securities decreased by $2.7 million or 3.3% to $77.0 million at March 31, 2023 from $79.7 million at December 31, 2022. The decrease in investment securities resulted primarily from $2.0 million in mortgage-backed security paydowns and $645,000 in municipal bond maturities. In addition, the after-tax unrealized gain on the available-for-sale portfolio increased by $71,000 due to the prevailing interest rate environment and its impact on the market value of those debt securities. Because the Bank does not intend to sell the investments and it is not more than likely than not that the Bank will be required to sell the investments before recovery of their amortized cost basis, which may be at maturity, the Bank does not consider those investments to be other-than-temporarily impaired at March 31, 2023.

Deposit liabilities increased by $11.3 million or 1.1% to $1.045 billion at March 31, 2023 from $1.034 billion at December 31, 2022. The increase in total deposits occurred primarily as a result of a $57.4 million increase in time deposits, partially offset by decreases of $17.6 million, $12.1 million, $9.3 million and $7.1 million in savings, money market, non-interest bearing and interest checking deposits, respectively. As a result of the Federal Reserves' efforts to reduce inflation through systematic short-term interest rate increases during 2022 and 2023, the Bank's deposit mix has shifted to be more heavily weighted in time deposits as opposed to core deposits. Through the first quarter of 2023, the Bank utilized its retail deposit growth and wholesale borrowings from the Federal Home Loan Bank of New York to fund loan demand. Wholesale borrowing balances increased by $76.0 million or 128.8% to $135.0 million at March 31, 2023 from $59.0 million at December 31, 2022.

The Bank has filed the necessary paperwork with the Federal Reserve to participate in the government's new program, the Bank Term Funding Program, ("BTFP"). The BTFP was created to support American businesses and households by making additional funding available to eligible depository institutions to help assure banks have the ability to meet the needs of all their depositors. The BTFP offers loans of up to one year in length to banks, savings associations, credit unions, and other eligible depository institutions pledging any collateral eligible for purchase by the Federal Reserve Banks in open market operations (see 12 CFR 201.108(b)), such as U.S. Treasuries, U.S. agency securities, and U.S. agency mortgage-backed securities. These assets will be valued at par. The BTFP will be an additional source of liquidity secured by high-quality securities, eliminating an institution's need to quickly sell those securities in times of stress. At present, the Bank has not availed itself to this additional liquidity source.

Stockholders' equity increased by $2.6 million or 1.4% to $183.0 million at March 31, 2023 from $180.4 million at December 31, 2022. The increase in stockholders' equity was primarily attributable to net income of $3.35 million for the three months ended March 31, 2023, an increase of $19,000 in additional paid in capital, and an increase of $71,000 in accumulated other comprehensive income related to the mark-to-market valuation of the available-for-sale investment portfolio respectively, partially offset by a decrease of $943,000 in undivided profits related to the declaration and payment of the fourth quarter cash dividend during the first quarter of this year fiscal.

Quarterly Operational Review

Total interest income increased by $4.5 million or 38.8% to $16.2 million for the three months ended March 31, 2023 as compared to $11.7 million for the three months ended March 31, 2022.

The increase in interest income resulted primarily from an increase in the average balance of loans receivable, net of $227.3 million or 25.1% to $1.13 billion for the three months ended March 31, 2023 compared to $905.4 million for the three months ended March 31, 2022 and an increase in the average balance of investment securities of $29.1 million or 58.9% to $78.5 million for the three months ended March 31, 2023 from $49.4 million for the three months ended March 31, 2022. Partially offsetting the increase in interest income was a decrease in loan fees of $795,000 or 81.5% to $181,000 for the three months ended March 31, 2023 from $975,000 for the three months ended March 31, 2022. The decrease in loan fees was primarily related to quarter-over-quarter decreases of $569,000 and $289,000 in prepayment penalty fee income and fees recognized from the Paycheck Protection Program (PPP) as the majority of the Bank's PPP loans were forgiven and fees earned in 2022 and 2021. These lower fees were partially offset by an increase in commercial loan fees of $56,000 or 65.7% to $142,000 for the three months ended March 31, 2023 as compared to $85,000 for the three months ended March 31, 2022.

Total interest expense increased by $5.0 million to $5.7 million for the three months ended March 31, 2023 from $713,000 for the three months ended March 31, 2022. The increase in interest expense occurred primarily as a result of an increase in the average cost of interest bearing liabilities to 2.52% for the three months ended March 31, 2023 from 0.39% for the three months ended March 31, 2022 and an increase in the average balance of interest bearing liabilities of $183.6 million or 24.9% to $922.1 million for the three months ended March 31, 2023 from $738.4 million for the three months ended March 31, 2022. The average balance of interest-bearing liabilities was broken down to a $113.2 million or 15.3% increase in interest bearing deposit liabilities and a $70.4 million increase in wholesale borrowings for the three months ended March 31, 2023. The Bank had no wholesale borrowings for the three months ended March 31, 2022. These were partially offset by an increase in the average yield on interest earning assets to 5.16% for the three months ended March 31, 2023 from 4.30% for the three months ended March 31, 2022 and an increase in the average balance of interest earning assets of $172.6 million or 15.6% to $1.28 billion for the three months ended March 31, 2023 from $1.1 billion for the three months ended March 31, 2022. The increases in the average balance of interest-bearing deposit liabilities and interest-bearing wholesale borrowings were used primarily to fund the loan growth previously discussed.

Net interest margin decreased by seventy-one basis points to 3.33% for the three months ended March 31, 2023 as compared to 4.04% for the three months ended March 31, 2022. The decrease in the net interest margin was primarily attributable to an increase in the average cost of interest-bearing liabilities to 2.52% for the three months ended March 31, 2023 from 0.39% for the three months ended March 31, 2022 and an increase in the average balance of interest-bearing liabilities to $922.0 million for the three months ended March 31, 2023 from $738.4 million for the three months ended March 31, 2022. These were partially offset by an increase in the average yield on interest earning assets to 5.10% for the three months ended March 31, 2023 from 4.25% for the three months ended March 31, 2022 and an increase in the average balance of interest earning assets to $1.28 billion for the three months ended March 31, 2023 from $1.10 billion for the three months ended March 31, 2022.

Non-interest income increased by $515,000 or 142.9% to $875,000 for the three months ended March 31, 2023 from $360,000 for the three months ended March 31, 2022. The increase in total non-interest income resulted primarily from an increase of $516,000 or 319.6% in BOLI income to $678,000 for the three months ended March 31, 2023 from $162,000 for the three months ended March 31, 2022. The increase resulted from a one-time benefit received on the Bank's investment in BOLI. This increase was partially offset by a decrease of $22,000 in other miscellaneous income over the comparative three-month time periods. All other variances within the non-interest income grouping were not material.

Non-interest expense increased by $280,000 or 4.3% to $6.79 million for the three months ended March 31, 2023 compared to $6.51 million for the three months ended March 31, 2022. Salaries and employee benefits increased by $107,000 or 2.6% to $4.27 million for the three months ended March 31, 2023 as compared to $4.16 million for the three months ended March 31, 2022. The increase in salaries and employee benefits resulted primarily from an increase in full-time equivalent employees to 166 at March 31, 2023 from 157 at March 31, 2022. Occupancy and equipment expense increased by $32,000 or 3.4% to $985,000 for the three months ended March 31, 2023 as compared to $953,000 for the three months ended March 31, 2022. Marketing expense increased by $49,000 or 118.3% to $91,000 for the three months ended March 31, 2023 from $42,000 for the three months ended March 31, 2022. Marketing expense increased as a result of the Bank utilizing resources to build our brand and attract retail deposits. Professional fees increased by $20,000 or 4.5% to $461,000 for the three months ended March 31, 2023 from $441,000 for the three months ended March 31, 2022 as a result of increased fees related to the Holding Company Reorganization application and the initiative to up list to the Nasdaq Capital Market exchange. Data processing costs increased by $38,000 or 20.9% to $218,000 for the three months ended March 31, 2023 from $181,000 for the three months ended March 31, 2022. Other expenses increased by $106,000 or 19.1% to $662,000 for the three months ended March 31, 2023 from $556,000 for the three months ended March 31, 2022. Other expenses is primarily comprised of miscellaneous loan expense, telephone, subscriptions, software maintenance and depreciation, office supplies and computer supplies. These increases were partially offset by a $133,000 or 73.4% decrease in FDIC assessment to $49,000 for the three months ended March 31, 2023 from $182,000 for the three months ended March 31, 2022.

The income tax provision decreased by $356,000 or 25.1% to $1.06 million for the three months ended March 31, 2023 from $1.42 million for the three months ended March 31, 2022. The decrease in the income tax provision resulted primarily from a decrease in earnings before income taxes of $1.2 million or 21.5%, which included additional non-taxable income of $510,000 for the one-time benefit from BOLI, to $4.4 million for the three months ended March 31,2023 from $5.6 million for the three months ended March 31, 2022. The effective tax rate for the three months ended March 31, 2023 was 24.1% as compared to 25.3% for the three months ended March 31, 2022.

Asset Quality

The allowance for credit losses increased by $783,000 and $1.55 million respectively, to $18.56 million or 1.56% of gross loans at March 31, 2023 as compared to $17.78 million or 1.59% of gross loans at December 31, 2022 and $17.0 million or 1.82% of gross loans at March 31, 2022. Changes in the allowance for credit losses are calculated and adjusted quarterly and accordingly, relative to loan growth and quantitatively measured asset quality metrics. Total loans, gross, increased by $70.8 million or 6.3% and $254.7 million or 27.3% respectively, to $1.19 billion at March 31, 2023 from $1.12 billion at December 31, 2022 and $934.2 million at March 31, 2022. The Bank had non-accrual loans totaling $11.8 million or 0.99% of gross loans at March 31, 2023 as compared to $12.7 million or 1.14% of gross loans at December 31, 2022 and $12.2 million or 1.31% of gross loans at March 31, 2022. Quarter-over-quarter, non-accrual loans decreased by $988,000 or 7.8% to $11.7 million at March 31, 2023 from $12.7 million at December 31, 2022 and REO balances decreased by $4.0 million or 100% to no REO at March 31, 2023 from $4.0 million at December 31, 2022.

The allowance for credit losses was $18.56 million or 1.56% of gross loans at March 31, 2023, $17.78 million or 1.59% of gross loans at December 31, 2022 and $17.0 million or 1.82% of gross loans at March 31, 2022. The allowance for credit losses was 158.0% of non-accrual loans at March 31, 2023, 139.6% of non-accrual loans at December 31, 2022 and 139.4% of non-accrual loans at March 31, 2022.

About First Commerce Bank

Established in 2006 and headquartered in Lakewood, New Jersey, the Bank has offices in Allentown, Bordentown, Closter, Englewood, Fairfield, Freehold, Lakewood, Montvale, Robbinsville and Teaneck, New Jersey, with a new office in Jackson anticipated to open during the second quarter. The Bank provides businesses and individuals a wide range of loans, deposit products and retail and commercial banking services. For more information, please go to www.firstcommercebk.com.

Forward-Looking Statements

This release, like many written and oral communications presented by First Commerce Bank, and our authorized officers, may contain certain forward-looking statements regarding our prospective performance and strategies within the meaning of Section 27A of the Securities Act of 1933 as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of said safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies, and expectations of the Bank, are generally identified by use of the words "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "seek," "strive," "try," or future or conditional verbs such as *"could," "may," "should," "will," "would," or similar expressions. Our ability to predict results or the actual effects of our plans or strategies is inherently uncertain. Accordingly, actual results may differ materially from anticipated results.*

In addition to the factors previously disclosed in prior Bank communications and those identified elsewhere, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: the impact of the COVID-19 pandemic on the Bank, its operations and its customers, changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer acceptance of the Bank's products and services; customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with certain corporate initiatives; economic conditions; and the impact, extent and timing of technological changes, capital management activities, and actions of governmental agencies and legislative and regulatory actions and reforms.

FIRST COMMERCE BANK
Consolidated Balance Sheets
(Unaudited)

(In thousands, except percentages)	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023 vs. December 31, 2022 Amount	%	March 31, 2023 vs. March 31, 2022 Amount	%
Assets							
Cash and cash equivalents:							
Cash on hand	$ 1,804	$ 1,686	$ 1,962	$ 118	7.0%	$ (158)	-8.1%
Interest bearing deposits in other banks	64,159	40,899	102,418	23,260	56.9%	(38,259)	-37.4%
Total cash and cash equivalents	65,963	42,585	104,380	23,378	54.9%	(38,417)	-36.8%
Investment securities held to maturity, at amortized cost	64,135	65,788	54,289	(1,653)	-2.5%	9,846	18.1%
Investment securities available for sale, at fair value	12,891	13,902	17,793	(1,011)	-7.3%	(4,902)	-27.6%
Total investment securities	77,026	79,690	72,082	(2,664)	-3.3%	4,944	6.9%
Restricted stock	7,119	3,699	945	3,420	92.5%	6,174	653.3%
Loans rcvable, net of ACL	1,170,335	1,100,300	917,184	70,035	6.4%	253,151	27.6%
Premises and equipment	15,672	15,725	16,339	(53)	-0.3%	(667)	-4.1%
Right-of-use asset	9,810	9,913	9,273	(103)	-1.0%	537	5.8%
Bank owned life insurance	25,189	25,781	25,276	(592)	-2.3%	(87)	-0.3%
Other real estate owned	-	3,971	4,345	(3,971)	-100.0%	(4,345)	-100.0%
Deferred tax asset	4,088	4,436	3,677	(348)	-7.8%	411	11.2%
Accrued interest receivable	5,216	4,638	3,881	578	12.5%	1,335	34.4%
Other assets	1,813	1,388	1,401	425	30.6%	412	29.4%
Total assets	$ 1,382,231	$ 1,292,126	$ 1,158,783	$ 90,105	7.0%	$ 223,448	19.3%
Liabilities and Stockholders' Equity							
Liabilities							
Deposits:							
Non-interest bearing	$ 200,391	$ 209,680	$ 228,701	$ (9,289)	-4.4%	$ (28,310)	-12.4%
Interest bearing	845,083	824,520	737,795	20,563	2.5%	107,288	14.5%
Total Deposits	1,045,474	1,034,200	966,496	11,274	1.1%	78,978	8.2%
Borrowings	135,000	59,000	-	76,000	128.8%	135,000	0.0%
Accrued interest payable	1,649	993	100	656	66.1%	1,549	1549.0%
Lease liability	10,381	10,453	9,728	(72)	-0.7%	653	6.7%
Other liabilities	6,750	7,090	6,494	(340)	-4.8%	256	3.9%
Total liabilities	1,199,254	1,111,736	982,818	87,518	7.9%	216,436	22.0%
Commitments and contingencies	-	-	-	-	-	-	-
Stockholders' equity							
Preferred stock	-	-	-	-	-	-	-
Common stock	47,570	47,570	46,632	-	0.0%	938	2.0%
Additional paid-in capital	41,041	41,022	40,144	19	0.0%	897	2.2%
Retained earnings	94,604	92,107	89,080	2,497	2.7%	5,524	6.2%
Accumulated other comprehensive (loss) income	(238)	(309)	109	71	-23.0%	(347)	-318.3%
Total stockholders' equity	182,977	180,390	175,965	2,587	1.4%	7,012	4.0%
Total liabilities and stockholders' equity	$ 1,382,231	$ 1,292,126	$ 1,158,783	$ 90,105	7.0%	$ 223,448	19.3%

FIRST COMMERCE BANK
Consolidated Income Statements
For the three months ended March 31, 2023 and 2022
(Unaudited)

(In thousands, except percentages and per share amounts)	March 31, 2023	March 31, 2022	Variance Amount	Variance %
Interest Income				
Loans, including fees	$ 15,182	$ 11,174	$ 4,008	35.9%
Investment securities held to maturity	451	232	219	94.5%
Investment securities available for sale	100	232	(132)	-56.8%
Interest-bearing deposits	511	67	444	658.2%
Total interest income	16,244	11,705	4,539	38.8%
Interest expense				
Deposits	4,876	713	4,163	583.9%
Borrowings	852	-	852	0.0%
Total interest expense	5,728	713	5,015	703.5%
Net interest income	10,516	10,992	(476)	-4.3%
Provision (benefit) for credit losses	509	(775)	1,284	-165.6%
Benefit for unfund commitments for credit losses	(319)	-	(319)	0.0%
Total provision (benefit) for credit losses and unfunded commitments for credit losses	190	(775)	965	-124.5%
Net interest income after provision (benefit) for credit losses	10,326	11,767	(1,441)	-12.2%
Non-interest income				
Service charges and fees	188	167	21	12.6%
Bank owned life insurance income	678	162	516	319.6%
Other income	9	31	(22)	-71.0%
Total non-interest income	875	360	515	142.9%
Non-Interest Expenses				
Salaries and employee benefits	4,269	4,162	107	2.6%
Occupancy and equipment expense	985	953	32	3.4%
Marketing	91	42	49	118.3%
Professional fees	461	441	20	4.5%
Data processing	218	180	38	21.1%
(Gain)/loss on valuation of OREO	59	(2)	61	-2543.3%
FDIC assessment	49	182	(133)	-73.3%
Other expenses	662	556	106	19.1%
Total non-interest expenses	6,794	6,514	280	4.3%
Income before income taxes	4,407	5,613	(1,206)	-21.5%
Income tax expense	1,061	1,417	(356)	-25.1%
Net income	$ 3,346	$ 4,196	$ (850)	-20.3%
Earnings per common share - Basic	$ 0.14	$ 0.18	$ (0.04)	22.2%
Earnings per common share - Diluted	0.14	0.18	(0.04)	-22.2%
Weighted average shares outstanding - Basic	23,785,490	23,316,490	469,000	2.0%
Weighted average shares outstanding - Diluted	24,164,148	23,676,020	488,128	2.1%

First Commerce Bank
Financial Highlights & Ratios
As of March 31, 2023 and 2022
(Unaudited)

Financial & Operating Ratios	QTD 3/31/2023	QTD 3/31/2022	YTD 3/31/2023	YTD 3/31/2022
Yields				
Commercial Mortgages	4.73%	4.73%	4.73%	4.73%
Construction Loans	8.97%	4.73%	8.97%	4.73%
Commercial loans	7.37%	5.15%	7.37%	5.15%
Consumer	3.71%	3.84%	3.71%	3.84%
Residential Mortgages	4.80%	4.78%	4.80%	4.78%
Home Equity	6.52%	3.46%	6.52%	3.46%
SBA Loans	7.36%	7.08%	7.36%	7.08%
Total Yield on Loans	5.28%	4.84%	5.28%	4.84%
DFB Interest Bearing	4.59%	0.21%	4.59%	0.21%
Securities	2.81%	3.75%	2.81%	3.75%
Total Yield on Interest Earning Assets	**5.10%**	**4.25%**	**5.10%**	**4.25%**
Cost of Funds				
Non-interest bearing	0.00%	0.00%	0.00%	0.00%
Interest bearing	0.60%	0.33%	0.60%	0.33%
Money market	1.85%	0.35%	1.85%	0.35%
Savings	0.33%	0.34%	0.33%	0.34%
Time Deposits	2.98%	0.49%	2.98%	0.49%
IRA's	2.06%	0.49%	2.06%	0.49%
Brokered CD's	0.00%	0.00%	0.00%	0.00%
Borrowings	4.91%	0.00%	4.91%	0.00%
Total Cost of Funds	**2.07%**	**0.30%**	**2.07%**	**0.30%**
Risk Based Capital Ratios				
Tier 1 leverage capital ratio	13.83%	15.29%	13.83%	15.29%
Common equity tier 1 risk-based capital ratio	14.47%	17.58%	14.47%	17.58%
Tier 1 risk-based capital ratio	14.47%	17.58%	14.47%	17.58%
Total risk-based capital ratio	15.72%	18.84%	15.72%	18.84%
Capital conservation buffer	7.72%	10.84%	7.72%	10.84%
Tier 1 capital (in thousands)	183,204	175,842	183,204	175,842
Tier 2 capital (in thousands)	199,084	188,415	199,084	188,415
Other Ratios				
ALLL/Gross loans	1.56%	1.82%	1.56%	1.82%
Total investments/Total assets	5.57%	6.22%	5.57%	6.22%
Net loans/Total assets	84.67%	79.15%	84.67%	79.15%
Net loans/Total deposits	111.94%	95.31%	111.94%	95.31%
Net interest margin	3.33%	4.04%	3.33%	4.04%
Interest spread	3.03%	3.95%	3.03%	3.95%
Efficiency ratio	59.44%	57.39%	59.44%	57.39%
Legal lending limit	29,863	28,262	29,863	28,262

First Commerce Bank

Selected Quarterly Financial Data

(Unaudited)

(In thousands, except per share data)	As of and for the quarters ended 3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
Summary earnings:					
Interest income	$ 16,244	$ 15,289	$ 13,941	$ 12,032	$ 11,705
Interest expense	5,728	3,520	1,599	768	713
Net interest income	10,516	11,769	12,342	11,264	10,992
Provision (benefit) for credit losses	190	(114)	(685)	1,216	(775)
Net interest income after provision (benefit) for credit losses	10,326	11,883	13,027	10,048	11,767
Non-interest income	875	411	406	326	363
Non-interest expenses	6,794	7,156	6,273	6,418	6,517
Income before income tax expense	4,407	5,138	7,160	3,956	5,613
Income tax expense	1,061	1,127	1,712	1,018	1,417
Net income	$ 3,346	$ 4,011	$ 5,448	$ 2,938	$ 4,196
Per share data:					
Net income per common share - basic	$ 0.14	$ 0.17	$ 0.23	$ 0.12	$ 0.18
Net income per common share - diluted	0.14	0.17	0.23	0.12	0.18
Cash dividends paid per common share	0.04	0.04	0.35	-	-
Book value at period end	7.69	7.58	7.45	7.61	7.55
Shares outstanding at period end	23,785	23,785	23,785	23,673	23,316
Weighted average shares outstanding - basic	23,785	23,785	23,743	23,535	23,316
Weighted average shares outstanding - diluted	24,164	24,176	24,124	23,970	23,773
Balance sheet data (at period end):					
Total assets	$ 1,382,231	$ 1,292,127	$ 1,249,389	$ 1,176,733	$ 1,158,783
Securities, available for sale	12,891	13,902	14,371	16,327	17,793
Securities, held to maturity	64,135	65,788	69,736	70,268	54,289
Total loans	1,188,898	1,118,081	1,082,210	1,005,640	934,193
Allowance for credit losses	(18,563)	(17,781)	(17,652)	(18,245)	(17,009)
Total deposits	1,045,473	1,034,200	1,015,916	979,285	966,496
Shareholders' equity	182,977	180,390	177,246	180,171	175,965
Common cash dividends	951	951	8,325	-	-
Selected performance ratios:					
Return on average total assets	1.02%	1.27%	1.77%	1.00%	1.48%
Return on average shareholders' equity	7.44%	8.93%	11.92%	6.57%	9.73%
Dividend payout ratio [1]	28.42%	23.71%	152.81%	0.00%	0.00%
Net interest margin	3.33%	3.93%	4.28%	4.06%	4.04%
Non-interest income to average assets	0.27%	0.13%	0.13%	0.11%	0.13%
Non-interest expenses to average assets	2.08%	2.25%	2.04%	2.19%	2.30%
Asset quality ratios:					
Non-performing loans to total assets	0.99%	1.14%	1.61%	1.35%	1.31%
Non-performing assets to total assets	0.85%	1.29%	1.71%	1.52%	1.43%
Allowance for credit losses to non-performing loans	158.04%	139.63%	101.25%	134.23%	139.42%
Allowance for credit losses to total loans	1.56%	1.59%	1.63%	1.81%	1.82%
Net recoveries (charge-offs) to average loans	0.01%	-0.15%	0.00%	0.00%	0.01%
Liquidity and capital ratios:					
Average loans to average deposits	109.33%	108.36%	104.43%	99.02%	96.80%
Total shareholders' equity to total assets	13.24%	13.96%	14.19%	15.31%	15.19%
Total capital to risk-weighted assets	15.72%	16.23%	16.44%	17.78%	18.84%
Tier 1 capital to risk-weighted assets	14.47%	14.97%	15.19%	16.52%	17.58%
Common equity tier 1 capital ratio to risk-weighted assets	14.47%	14.97%	15.19%	16.52%	17.58%
Tier 1 leverage ratio	13.83%	14.33%	14.56%	15.36%	15.29%

[1] Dividend payout ratio is calculated by dividing dividends paid by net income.