



PRESS RELEASE

FOR IMMEDIATE RELEASE

First Commons Bank Earns More Than \$1.2 Million in 2014 for a 42 % Increase Versus a Year Ago, and Completes a New Capital Raise for Growth

NEWTON, MASS. — January 30, 2015 — First Commons Bank of Newton, Mass., today reported its results for the quarter ended December 31, 2014. Net income for the quarter was \$282 thousand compared to \$253 thousand for the 4th quarter of 2013. Net income for the period January 1 to December 31, 2014 was \$1.255 million, compared to \$884 thousand for the same period of 2013, an increase of 42%. Net income results for 2013 were positively affected by gains on sale of securities of \$262 thousand, while 2014 results are all from banking operations.

The Bank raised \$4.9 million, before expenses, in new common equity capital during 2014 at a price of \$11.00 per share. The new capital will be used to fund further growth, as well as strengthen the Bank's capital ratios. Book value of the Bank's common stock was \$9.71 per share as of December 31, 2014, compared to \$9.00 as of December 31, 2013.

Of note, the Bank continued raising capital through January 21, 2015 and reached a total of \$6.7 million, with an additional \$1.8 million raised in 2015.

The Bank's Return on Average Assets for the twelve month period ended December 31, 2014 was 0.50%, compared to 0.39% for the twelve month period ended December 31, 2013. The Bank's Tier 1 Capital to Asset Ratio also improved from the 8.50% reported as of December 31, 2013 to 11.42% as of December 31, 2014. The improvement in the capital ratio is a combination of both earnings as well as the \$4.9 million in capital raised in 2014.

Tony Nuzzo, Chairman, President and CEO of First Commons Bank said, "We are pleased that we earned \$1.2 million in 2014, the first time the Bank has earned more than \$1 million. We are also especially pleased with the capital raise which totaled \$6.7 million at a price which was accretive to book value. We are confident that this capital raise will give us the ability to substantially grow in both size and profitability."

Total Interest Income of \$10.9 million increased by approximately \$742 thousand, or 7.3%, for the twelve month period ended December 31, 2014 vs. 2013. Interest Expense of \$2.2 million increased by approximately \$257 thousand, or 13.1%, for the twelve months ended December 31, 2014 vs. 2013. The Bank's Net Interest Margin of \$8.7 million as of December 31, 2014 represents an increase of \$485 thousand, or 5.9% over the twelve month period ended December 31, 2013. Noninterest operating expenses increased by approximately \$344 thousand, or 5.4%, for the twelve month period ended December 31, 2014 compared to the twelve month period ended December 31, 2013.

Mr. Nuzzo further commented, "We are also pleased that our ratio of non-performing loans to total loans remains at 0.00% as of December 31, 2014, and we still do not have a loan that is more than 60 days past due."

First Commons Bank's financial results are available on the FDIC's Web site at:
<http://goo.gl/s2DQAm>.

-more-

First Commons Bank, N.A.
Balance Sheet
(Unaudited)

(Unaudited)

	December 31, 2014	December 31, 2013
	(dollars in thousands)	
<u>Assets</u>		
Cash and Due from Banks	1,516	1,864
Interest-bearing demand deposits with other banks	123	6,728
Money Market Mutual Funds	162	3,662
Federal funds sold	30,900	13,500
Cash and Cash equivalents	32,701	25,754
Interest-bearing time deposits with other banks	2,205	3,189
Investment in available-for-sale securities	0	0
Federal Home Loan Bank Stock, at cost	956	919
Federal Reserve Bank Stock, at cost	1,395	1,319
Loans, net	212,686	227,227
Premised and equipment	1,156	1,414
Accrued interest receivable	642	535
Deferred income tax asset, net	1,859	1,859
Other assets	332	279
Total Assets	253,932	262,495
<u>Liabilities and Stockholders' Equity</u>		
Deposits:		
Noninterest-bearing	18,998	16,745
Interest-bearing	194,425	212,085
Total Deposits	213,423	228,830
Federal Home Loan Bank Advances	10,000	10,000
Other Liabilities	1,867	1,151
Total Liabilities	225,290	239,981
Stockholders' equity		
Common Stock, par value .01; authorized 10,000,000 shares, 2,950,532 issued and outstanding	30	25
Paid-in Capital	31,519	26,651
Accumulated deficit	-2,907	-4,162
Accumulated other comprehensive income	0	0
Total stockholders' equity	28,642	22,514
Total liabilities and stockholders' equity	253,932	262,495

-more-

First Commons Bank, N.A.
Statement of Income
(Unaudited)

	Twelve months ended December 31	
	2014	2013
	(Dollars in thousands)	
Interest Income:		
Interest and fees on loans	10,831	10,070
Interest on securities	0	46
Other interest	88	61
Total interest income	10,919	10,177
Interest Expense		
Interest on deposits and borrowings	2,223	1,966
Total Interest Expense	2,223	1,966
Net interest income	8,696	8,211
Provision for loan losses	25	611
Net interest income after provision for loan losses	8,671	7,600
Noninterest income		
Service charges on deposit accounts	51	45
Gain on sale of available-for-sale securities	0	262
Gain on sale of loans	150	0
Other income	5	10
Total noninterest income	206	317
Noninterest expense:		
Salaries and employee benefits	3,670	3,502
Occupancy expense	844	819
Equipment expense	228	248
Professional fees	485	421
Regulatory assessment	295	285
Other expense	1,207	1,110
Total noninterest expense	6,729	6,385
Income (loss) before income tax expense (benefit)	2,148	1,532
Income Tax expense (benefit)	893	648
Net Income (Loss)	1,255	884

About First Commons Bank

First Commons Bank, N.A., is a nationally chartered, FDIC-insured full-service community bank, dedicated to serving the businesses and individuals of Newton, Wellesley, Waltham, and eastern Massachusetts. The bank opened for business on July 22, 2009. Branch and office locations include its headquarters at 718 Beacon St. in Newton Centre, Mass., and 161 Linden Square in Wellesley, Mass. It also has a stand-alone branded ATM in the mall at Newton's Chestnut Hill Square. Visit the First Commons Bank website at firstcommonsbank.com. Follow the bank on Facebook at facebook.com/firstcommonsbank and on Twitter at twitter.com/firstcommonsbnk.

#

Notes to Editors:

- Press Contact: Don Goncalves, dgoncalves@tizinc.com, 781-793-9380
- Company Contact: Tony Nuzzo, First Commons Bank, 617-243-4410