Dear Valued Shareholders, Customers and Staff:

Happy New Year! We hope you had a wonderful holiday season.

We are excited to report that 2015 was a year of great achievement for the Bank. As of the end of the fourth quarter of 2015, the Bank had earned another quarterly record, $1.74 million, bringing the total earnings for the year to a record $5.39 million. Since the end of 2014, Total Assets of the Bank have grown by 30% to $811 million, with Gross Loans growing by 31% to $670 million and Total Deposits growing by 32% to $708 million. Additional performance information can be found on the following pages.

This quarter, we’re pleased to feature Bank customer Narendra Patel, who recently completed and opened the Hilton Garden Inn Irvine/Orange County Airport. We are pleased that First Choice Bank helped Narendra with the construction loan on that hotel. The end result is an impressive venue with modern accommodations and countless amenities. Pictures from the grand opening are included in this newsletter.

As part of our continued efforts to bring our customers the best products and service available, the Bank is in the process of completing a core system conversion. Please read more on the details and timing of this conversion inside.

For the second year in a row, the Bank partnered in December with the U.S. Marine Corps Reserve Toys for Tots Program, which collects and distributes toys to needy children in the community. We are humbled by the generosity of all of the employees and directors who participated in donating toys this holiday season.

As we begin 2016, we are reminded of just how fortunate we are to be a part of this exceptional First Choice family. We believe that service is not what you do but who you are, and we are grateful for each of you and the continued opportunity to serve you. Thank you for being part of the First Choice family.

Respectfully,

Peter Hui                           Robert M. Franko
Chairman of the Board                  President/Chief Executive Officer
Customer Spotlight
Narendra Patel

On October 29, 2015, S3 Hospitality, LLC, held a grand opening for its newest property, the HGI Irvine/Orange County Airport. First Choice Bank is pleased to have been an integral part of the hotel's opening. “First Choice Bank has now done several hotel- and development-related loans for us, including an SBA 504 Green Loan for the recently opened Hilton Garden Inn Irvine,” said Narendra Patel, Managing Partner at S3. “Simply put, First Choice Bank delivers.” FCB was there from day one for the Hilton Garden Inn project, providing financing for the purchase of the office buildings, which were eventually demolished to make way for the hotel project, and then for the construction as part of the SBA Green Loan. Narendra added, “FCB was thorough and rigorous in its due diligence but simultaneously also efficient and focused on minimizing needless red tape. The SBA 504 Green Loan is a complicated transaction involving numerous parties, including the SBA, the CDC and additional lenders. FCB was flexible and worked seamlessly with the other parties.” Congratulations to Narendra and S3 on the beautiful new addition!

First Choice Bank is in the process of converting to a new core system that will help us operate more efficiently, improve our products and services and serve you better in the future. (By the way, if you are wondering what a “core system” is, it is the basic accounting system that every bank uses to keep track of all its loans and deposits. That is why it is important to have the very best and most up-to-date system in place.)

In the coming months, we will provide you with a Conversion Guide Booklet with key information about the conversion, including the impact of the conversion on your accounts and a schedule of service disruptions, which will happen during our conversion weekend. The impacts should be minimal, but the results should be much more visually appealing once the conversion is complete.

In preparation for converting to a new core system, our fundamental goal is to limit the impact on our customers. We will work diligently to make the transition as seamless as possible for you.

Thank you for your understanding and patience while we upgrade our core system to better serve you. If you have questions, please contact the conversion team at conversioninquiry@firstchoicebankca.com.

At our annual holiday party in December 2015, we welcomed three Marines to join in the festivities for the evening. They were there to assist the Bank in its partnership with Toys for Tots to collect and distribute toys for the holiday season to less fortunate children in our community. We’re proud to say that over one hundred toys were donated by Bank employees and directors that night. We’re grateful to have been able to partner with the Marines and Toys for Tots for the second consecutive year and thank them for their tireless efforts in making a difference in the lives of local children.

FCB Core System Conversion
(Conversion Period: January 2016 to June 2016)

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Toys for Tots & Marines Join FCB for the Holidays

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We are pleased to report that First Choice Bank has once again been awarded the highest Five-Star Superior rating by BauerFinancial, a leading independent rating service for the nation’s banking industry. Earning the Five-Star rating is a source of pride for the Bank, as it is only given to financial institutions that are considered the strongest in the nation, excelling in areas such as capital, loan quality, profitability and more. We recognize and applaud our dedicated employees and the loyal customer support that made this achievement possible.

Note: A star rating is assigned based on a scale of zero to five stars, with five stars being the strongest. No institution pays for its rating, nor can they avoid a rating.
Helping to Care for Aging Parents

Many adults are finding that their aging parents are in need of health care assistance. One of the biggest worries of those caring for an aging parent is how to pay for the care needed.

The federal government’s Administration on Aging website (www.aoa.gov) offers a variety of print and online materials for elders, their families and professionals regarding housing, health, caregiving and services for seniors.

ElderWeb (www.elderweb.com) has a rich collection of resources for the elderly and their caregivers on financial matters, health care, living arrangements and social, mental and legal issues.

Medicare will only pay the full cost of professional help if a physician certifies that your parent requires nursing care and if these services are provided by a Medicare-certified home health care agency. Coverage is offered only on a short-term basis, and benefits are restricted to low-income individuals with very limited assets.

Tax Considerations: If you provide more than half of a parent’s support (and his or her gross income is less than $3,950), you can claim your parent as your dependent, giving you a tax exemption for each parent so cared for and allowing you to write off much of the medical expense. (Note: The dependent exemption phases out at higher income levels. Check with your tax advisor.) You may also be able to claim a federal tax credit that will enable you to take up to $3,000 off the cost of in-home care or day care. Another option is the flexible spending account (FSA), which lets you pay for a certain amount of care each year with pretax dollars.

With elder care costs continually on the rise, financial planning has become ever more crucial to the economic well-being of adult children responsible for the care of their elderly parents. Don’t wait until the last minute; start planning now to ensure the future care of your parents.

Credit: EFC (Encore Financial Consulting)