



First Choice Bank™

First in Speed | Service | Solutions

Dear Valued Shareholders, Customers and Staff:



Peter Hui
Chairman



Robert M. Franko
President/CEO

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Happy New Year! Like most of you, we cannot believe another year has begun already. We look forward to what 2017 has in store for all of us.

We are pleased to report that the Bank accomplished quite a bit over the last year. As of the end of the fourth quarter of 2016, the Bank had earned \$2.198 million, bringing total earnings for the year to a record \$8.270 million, 26.42% higher than 2015 earnings. Growth in Total Assets, Gross Loans and Total Deposits measured year-over-year was relatively modest at 5% each; nevertheless, the Bank was able to substantially increase profitability. We also upgraded and streamlined the services that we offer to our customers. In addition, we addressed our overall loan and deposit concentrations. In 2017, we currently see potential growth in the 5% range again. We are also pleased to begin paying a \$0.20 per share quarterly dividend this year. Additional performance information is inside.

This quarter, we're excited to feature FCB customer, Heritage Global Partners. Heritage became a Bank customer in 2016, with First Choice able to assist with both lending and deposit products for the business.

We're excited to report that for a third year in a row, FCB made the U.S. Small Business Administration's 100 Most Active SBA 7(a) Lenders list for 2016. This is quite an accomplishment given the Bank's large-bank competitors throughout the nation. We congratulate our SBA team on this impressive achievement. More details can be found in this quarter's newsletter.

The Bank's 6th Annual Charity Golf Tournament was a rousing success! The charity donation total far exceeded our expectations, and everyone seemed to really enjoy the day. More information and photos from the event are included inside.

Part of the Bank's dedication to the underserved in our community includes providing financial literacy and education. Several of our employees were fortunate enough to be able to participate in two financial literacy events for local high school students at the Junior Achievement Finance Park in November and December. Additional details can be found on the following pages.

In December, the Bank teamed up once again with the U.S. Marine Corps Reserve Toys for Tots Program, which collects and distributes toys to needy children in the community. We also, for the first time, partnered with Aviva Family and Children's Services to sponsor several families for the holidays. We are humbled by the generosity of all of the employees and directors who participated in donating toys and other needed items to these two worthy organizations this holiday season.

As we start a new year, we once again want to thank you for your loyalty. From the very beginning, we have been firm believers that FCB has a responsibility to focus on the needs of local people and businesses and make continuous efforts to support our communities in whatever ways we can. We are only able to make these things happen through your ongoing support, for which we are incredibly grateful.

Respectfully,

Peter Hui
Chairman of the Board

Robert M. Franko
President/Chief Executive Officer

First Choice Bank Charity Golf Tournament

First Choice Bank is proud to announce that its 6th Annual Charity Golf Tournament on October 27, 2016, was the most successful one yet! A total of \$91,200 was donated to 18 local charities, with \$45,600 given by the Bank and an additional \$45,600 matched by the Much is Given Foundation. The event also spotlighted the Bank's "Citizen of the Year" for 2016, with the award presented to Liferay, Inc.® for its ongoing commitment to helping others. Liferay grants all of its employees 40 hours per year to serve with non-profit organizations of their choice. Their community outreach program is an inspiration to all of us to continue efforts to help those in our communities most in need.

Each year, the success of this event is dependent on the generosity of the sponsors and participants, and this year was no exception. First Choice Bank is so grateful for all who contributed and offers a special thanks to Kathryn Leu for organizing the day's activities. If you weren't able to make it out this time, please plan to join us at next year's tournament to support many worthy charities and also have some fun!



First Choice Bank Makes the 100 Most Active SBA 7(a) Lenders List for 2016

Each year, the U.S. Small Business Administration compiles a list of the 100 Most Active SBA 7(a) Lenders in the United States. We're excited to report that as of year-end 2016, First Choice Bank made the list for a third year in a row! The Bank's SBA team, led by Gary Youmans, works tirelessly to find just the right SBA lending solutions for our clients. This success, especially considering the competition amongst so many large banking institutions throughout the country, is a true source of pride for the Bank. Congratulations to our SBA team!



Holiday Donations

For the third year in a row, First Choice Bank partnered with the Marine Toys for Tots Program to collect and distribute toys for the holiday season to less fortunate children in our community. We're proud to say that three huge boxes of toys were donated by Bank employees and directors in support of the program! Also, for the first time, the Bank participated in the Sponsor Family Holiday Drive organized by Aviva Family and Children's Services, a non-profit organization serving Los Angeles children and families in crisis. With the help of Bank employees and directors, we were able to sponsor ten local families struggling not only with holiday gifts, but also with basic necessities and making ends meet. We are grateful for the support provided by the FCB team to area families in need and are thankful to have had the opportunity to make such an impact on the lives of others.

Financial Literacy

The Bank is proud to have participated in two financial literacy events in November and December at the Junior Achievement Finance Park in Los Angeles. The events gave area high school students the opportunity to navigate the world of personal finances as they assumed the role of an "adult for the day," creating a balanced monthly budget while making decisions about housing, transportation, insurance, savings and other typical expenses. Our FCB volunteers spent the day with the students – providing guidance and answering questions the students had about real-world financial situations. We are excited to have been able to help these students prepare for their financial futures.



Client Spotlight: Heritage Global Partners



Since 1937, Heritage Global Partners has been a leading full-service global auction and asset advisory firm. Its managing partners, Ross and Kirk Dove, bring over a half century of worldwide experience and expertise in virtually every industrial sector and geographical location. Together they have conducted over 4,000 industrial auctions spanning 30 countries. As industry pioneers, they have developed asset recovery programs that have been embraced by many of the world's biggest companies as listed by Forbes Magazine: The Global 2000.

Heritage Global Partners chose First Choice Bank for its broad array of Treasury Management Services and competitive cost structure. "FCB has all the products and horsepower of a large commercial bank but delivers service how banks used to by being very quick and responsive. Their mantra of being First in Speed, Service and Solutions shines through," say Ross and Kirk.

Financial Highlights

Performance Highlights of the Bank

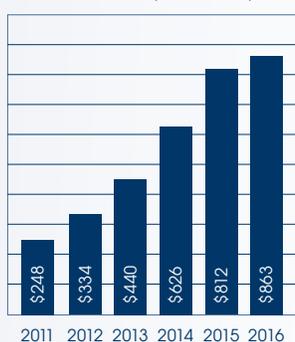
	2013	2014	2015	2016 (unaudited)
Net Income (\$ in millions)	\$2.7	\$4.1	\$5.4	\$8.3
Return on Average Assets (%)	0.7%	0.8%	0.7%	1.0%
Return on Average Equity (%)	8.0%	9.0%	7.2%	8.5%
Efficiency Ratio (%)	59.3%	57.8%	59.8%	55.6%
Non-Current Loans + Other Real Estate Owned to Loans + Other Real Estate Owned (%)	0.3%	0.0%	0.6%	0.5%

Actuals	2011	2012	2013	2014	2015	2016
TOTAL ASSETS (\$ in millions)	\$248	\$334	\$440	\$626	\$812	\$863
GROSS LOANS (\$ in millions)	\$128	\$203	\$348	\$513	\$670	\$704
TOTAL DEPOSITS (\$ in millions)	\$212	\$290	\$380	\$536	\$708	\$757
STOCKHOLDERS' EQUITY (\$ in millions)	\$26	\$33	\$32	\$56	\$92	\$101

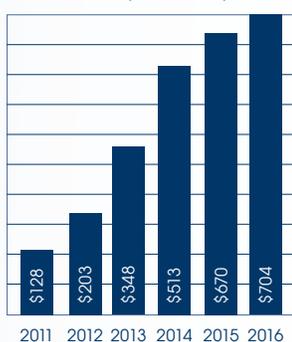
% Growth	2011	2012	2013	2014	2015	2016
TOTAL ASSETS (%)	23%	35%	32%	42%	30%	6%
GROSS LOANS (%)	37%	58%	71%	47%	31%	5%
TOTAL DEPOSITS (%)	22%	36%	31%	41%	32%	7%
STOCKHOLDERS' EQUITY (%)	57%	29%	-2%	72%	65%	10%

Strong Growth

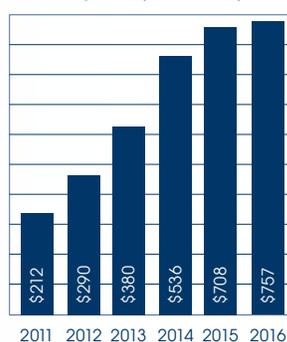
Total Assets (\$ in millions)



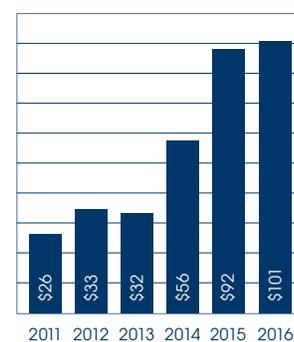
Loans (\$ in millions)



Deposits (\$ in millions)



Stockholders' Equity (\$ in millions)



Branch Locations

Headquarters

17785 Center Court Drive, Suite #750
Cerritos, CA 90703

Phone: (562) 345-9092
Toll Free: (877) 256-9809
Fax: (562) 926-8640

By Appointment Only

Cerritos Branch

12845 Towne Center Drive
Cerritos, CA 90703

Phone: (844) 392-2842
Fax: (562) 926-8737

Monday - Thursday 9:00am to 4:00pm
Friday 9:00am to 6:00pm

Alhambra Branch

407 W. Valley Boulevard, Suite #1
Alhambra, CA 91803

Phone: (626) 300-8987
Fax: (626) 300-8507

Monday - Thursday 9:00am to 5:00pm
Friday 9:00am to 6:00pm
Saturday 10:00am to 1:00pm

Rowland Heights Branch

17458 E. Colima Road
Rowland Heights, CA 91748

Phone: (626) 964-3400
Fax: (626) 964-8750

Monday - Thursday 9:00am to 5:00pm
Friday 9:00am to 6:00pm

Anaheim Branch

2401 E. Katella Avenue, Suite #125
Anaheim, CA 92806

Phone: (714) 634-5119
Fax: (714) 456-9813

Monday - Thursday 9:00am to 5:00pm
Friday 9:00am to 6:00pm

Manhattan Beach

Private Banking Office
2321 Rosecrans Avenue
El Segundo, CA 90245

By Appointment Only
Contact Nicole Swain
Phone: (310) 696-6669

Temecula

41530 Enterprise Circle S., Suite #202
Temecula, CA 92590
Phone: (844) 315-7855

Solana Beach

265 Santa Helena, Suite #205
Solana Beach, CA 92075

By Appointment Only
Contact John Harelson
Phone: (858) 519-3534



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How to Start the New Year Fresh

Here are some tips to help you feel refreshed and focused as the new year begins:

- **Look over your New Year's resolution list.** Review your list to see if there's anything you might need to help keep you on track when starting a new fitness or exercise plan (such as gear, food, clothing, etc.). Break down your goals into short-term and long-term milestones to help keep yourself motivated.
- **Focus on organization.** Declutter your home, office and life in gradual steps. Assign specific tasks to certain days, so as to be more manageable, and then follow your plan.
- **Relax more.** Relaxing the body and mind is important for you to feel and be your best. Set aside some time each week – make it an actual appointment on your calendar – to read a book, meditate or take a nap.
- **Reflect over the past year.** Think about things you'd like to do better this year – new things you'd like to try or things that were great that you'd like to continue doing. Ask yourself what you want to do in 2017 to make the year even better than the last.



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