

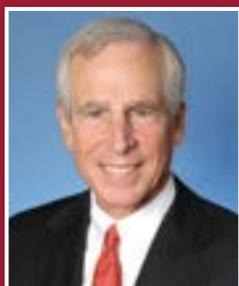


# First Choice Bank™

*First in Speed | Service | Solutions*



**Peter Hui**  
Chairman



**Robert M. Franko**  
President/CEO

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## Dear Valued Shareholders, Customers and Staff:

Over the last 15 years, First Choice Bank has focused on providing the right financial solutions for our customers, making a positive difference in the communities we serve and creating value for our shareholders. While 2020 has been tremendously challenging for us and so many others, we are proud to say that our team has not only been able to maintain the high level of service all of you have come to expect, but we have also been able to improve upon and elevate the products, services and overall value we provide. While uncertainty remains because of the recent economic and social upheavals throughout the country, we believe our experience, capital strength and ongoing focus to provide exceptional customer service all position us to continue to be a pillar of financial stability in the Southern California markets in which we operate.

In financial news, we are happy to report solid earnings for Q3 2020. As of September 30, 2020, First Choice had earned \$18.1 million in net income year-to-date, with \$7.9 million net income during the third quarter, up 37.5% over the previous quarter. Total loans held for investment increased \$53.3 million, up 2.9% over the second quarter of this year. As well, the Board of Directors just approved the fourth quarterly cash dividend\* of 2020, \$0.25 per share, to be paid on or about December 28, to shareholders of record as of December 14 ([First Choice Announces Quarterly Cash Dividend](#)). Additional performance details are included inside and in our recent press release ([First Choice Third Quarter of 2020 Financial Results](#)) and Q3 Form 10-Q SEC filing ([First Choice Q3 2020 Form 10-Q](#)).

We are excited to announce that, for the third year in a row, First Choice Bank was named one of American Banker's Best Banks to Work For! In addition, the Bank recently received several other industry accolades, the details of which are in this issue. We are honored and proud to be recognized for these achievements and thank our employees, customers and shareholders, without whom, none of these successes would be possible.

Even with all of the ongoing challenges associated with COVID-19, we are very pleased to have been able to participate in several worthwhile community events last quarter. As well, despite having to cancel our Annual Charity Golf Tournament this year because of the pandemic, the Bank is still actively raising donations for 18 nonprofit organizations in the LA, Orange and San Diego County areas. More information about helping our communities can be found on the following pages.

We are filled with pride to see the ways our team has adapted and forged ahead despite many challenges. We are also very thankful for the trust you continue to place in us to provide you a financial edge. We look forward to even better things with all of you in 2021.

Respectfully,

Peter Hui  
*Chairman of the Board*

Robert M. Franko  
*President/Chief Executive Officer*

\*The declaration of cash dividends in the future is subject to final determination each quarter by the Board based on a number of factors, including our financial performance and available cash resources. As such, there can be no assurance that dividends in the future will be declared or that the Board will not decide to suspend or discontinue the payment of cash dividends in the future.

# Active in Our Communities



Our recent partnership with H.I.S. House was a huge success! We asked FCB employees to donate and help assemble hygiene care packages for local communities assisted by H.I.S. House, specifically those struggling with homelessness or poverty. Through this drive, we collected enough hygiene supplies to make 76 kits! We are so grateful for the kindness shown by all those who contributed their time, money and efforts to this endeavor.



In September, three FCB employees took part in virtual mock interviews with high school teens from the C5LA Youth Foundation of Southern California ("C5LA"). The organization aims to change the odds for high-potential teens from under-resourced communities by inspiring them to pursue personal success, while preparing them for leadership roles in school, college, work and their communities. We were inspired by the drive of these young people to be successful and achieve their full potential using the resources provided by C5LA. We look forward to additional opportunities to get to know and help these teens.

Weingart East Los Angeles YMCA ("WELA YMCA") continues its COVID-19 Relief Initiative launched earlier this year, which has already resulted in over 25,000 bags filled with groceries delivered to the elderly, almost 150,000 grab-and-go meals served to families, over 14,000 warm meals provided to the homeless and 800 toy kits distributed to area youth. The Bank's recent donation to the organization helped WELA YMCA to continue this initiative, with FCB volunteers also helping in September to assemble approximately 3,000 meal packages and 200 care boxes for low-income families and seniors in Los Angeles County.



## Building Relationships

When First Choice originates a construction loan, not only is it the start of a new building project, but it is also the beginning of what we hope to be a long-term, mutually fulfilling relationship between us and the borrower. Pictured here: Bob Franko, Nicole Swain and Daniel Khakshouri, long-time client of the Bank.



# FCB's 2020 Charity Fundraising

Although we had to cancel this year's Annual Charity Golf Tournament due to the pandemic, our efforts to raise money for local nonprofit organizations in need is going strong! We created a new webpage highlighting the 18 charities being supported by this year's fundraising efforts. There, you will find details on the work each organization is doing to help local communities, as well as a [link](#) to make online donations using a credit card. FCB and the Much is Given Foundation will each be matching every dollar donated to triple the money collected, with 100% of donations and matching funds given directly to the charities. Please log in or email [CharityGolf@FirstChoiceBankCA.com](mailto:CharityGolf@FirstChoiceBankCA.com) for more information. Thank you in advance for your support!



## First Choice Bank Awards and Recognition

**BEST BANKS TO WORK FOR 2018, 2019 & 2020** First Choice was once again named one of the Best Banks to Work For in 2020, now three years in a row! The Best Banks to Work For program, which was initiated in 2013 by American Banker and Best Companies Group, identifies, recognizes and honors U.S. banks for outstanding employee satisfaction. A press release with full details and a link to the American Banker website can be accessed here: [FCB named one of the 2020 Best Banks to Work For](#). We are truly honored to earn this distinction as one of only two banks in California recognized and the only bank in the SoCal area, and we are incredibly proud of the team of exceptional individuals we have and their continued efforts.

We are pleased to report that for Q3 2020, now seven years in a row, First Choice Bank has once again been awarded the highest 5-Star Superior rating by BauerFinancial, a leading independent rating service for the nation's banking industry ([BauerFinancial Q3 2020 5-Star Rating](#)). Earning the 5-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.



**PIPER SANDLER** We are also proud to announce that FCB was recently recognized by Piper Sandler as one of the firm's Sm-All Stars Class of 2020. The list identifies the 35 top-performing small-cap banks and thrifts throughout the United States that out-perform the median in each of four performance metrics: EPS Growth, Loan Growth, Deposit Growth and Return on Average Equity. This recognition is a testament to the Bank's strong business model, the attractive markets we serve and our commitment to providing customers with a superior banking experience.

First Choice is happy to report the Bank was ranked eighth in the nation for the [SBA's Top Export Lenders in 2020](#) as of September 30. We are very proud of all our team does to help our SBA customers and of this recognition of that effort.



## Consolidated Financial Highlights

Balance Sheet (\$ in millions)	At 12/31/17 <sup>1</sup>	At 12/31/18 <sup>1,2</sup>	At 12/31/19 <sup>1</sup>	At 09/30/20 <sup>3</sup>
TOTAL ASSETS	\$904	\$1,623	\$1,690	\$2,256
LOANS HELD FOR INVESTMENT <sup>4</sup>	\$742	\$1,251	\$1,375	\$1,885
DEPOSITS	\$773	\$1,252	\$1,314	\$1,560
STOCKHOLDERS' EQUITY	\$106	\$248	\$262	\$272
Growth (Year-to-date actual %)	YTD 12/31/17 <sup>1</sup>	YTD 12/31/18 <sup>1,2</sup>	YTD 12/31/19 <sup>1</sup>	YTD 09/30/20 <sup>3,5</sup>
TOTAL ASSETS	4.8%	79.6%	4.1%	44.7%
LOANS HELD FOR INVESTMENT <sup>4</sup>	6.6%	68.6%	9.9%	49.5%
DEPOSITS	2.1%	62.0%	5.0%	25.0%
STOCKHOLDERS' EQUITY	3.1%	134.6%	5.6%	5.1%
Key Performance Metrics (\$ in millions)	YTD 12/31/17 <sup>1</sup>	YTD 12/31/18 <sup>1,2</sup>	YTD 12/31/19 <sup>1</sup>	YTD 09/30/20 <sup>3</sup>
NET INCOME	\$7.4	\$15.1	\$27.8	\$18.2
RETURN ON AVERAGE ASSETS	0.8%	1.3%	1.7%	1.2%
RETURN ON AVERAGE EQUITY	7.0%	9.1%	10.9%	9.1%
EFFICIENCY RATIO	59.6%	61.1%	50.3%	52.0%
NON-PERFORMING LOANS OF TOTAL ASSETS	0.2%	0.1%	0.7%	0.6%

## Strong Growth



(1) Audited; (2) Acquisition of Pacific Commerce Bancorp completed on July 31, 2018; (3) Unaudited financial results at and for the nine months ended September 30, 2020; (4) Represents loans held for investment, net of premium/discount and deferred costs/fees; (5) Represents annualized growth.

## Branch Locations

### Corporate Headquarters

17785 Center Court Dr. N., Ste. 750 | Cerritos, CA 90703  
Phone: 562.345.9092 | Toll Free: 877.256.9809  
By Appointment Only

### 6th and Figueroa Branch

888 W. 6th St., Ste. 550 | Los Angeles, CA 90017  
Phone: 213.613.5000  
Mon–Fri: 10:00am–3:00pm

### Alhambra Branch

407 W. Valley Blvd., Ste. 1 | Alhambra, CA 91803  
Phone: 626.300.8987  
Mon–Fri: 10:00am–3:00pm

### Anaheim Branch

2401 E. Katella Ave., Ste. 125 | Anaheim, CA 92806  
Phone: 714.634.5119  
Mon–Fri: 10:00am–3:00pm

### Carlsbad Branch

5857 Owens Ave., Ste. 106 | Carlsbad, CA 92008  
Phone: 760.448.4700  
Mon–Fri: 10:00am–3:00pm

### Cerritos Branch

12845 Towne Center Dr. | Cerritos, CA 90703  
Phone: 844.392.2842  
Mon–Fri: 10:00am–3:00pm

### Chula Vista Branch

530 Broadway | Chula Vista, CA 91910  
Phone: 619.422.5300  
Mon–Fri: 10:00am–3:00pm

### Manhattan Beach Private Banking Office

2321 Rosecrans Ave. | El Segundo, CA 90245  
Phone: 310.696.6669  
By Appointment Only

### Pasadena Branch

918 E. Green St., Ste. 100 | Pasadena, CA 91106  
Phone: 626.714.3232  
Mon–Fri: 10:00am–3:00pm

### Rowland Heights Branch

17458 E. Colima Rd. | Rowland Heights, CA 91748  
Phone: 626.964.3400  
Mon–Fri: 10:00am–3:00pm

### San Diego Loan Production Office

12730 High Bluff Dr., Ste. 100 | San Diego, CA 92130  
Phone: 858.500.3098  
Mon–Fri: 10:00am–3:00pm or By Appointment

### West LA Branch

11300 W. Olympic Blvd., Ste. 100 | Los Angeles, CA 90064  
Phone: 310.445.9033  
Mon–Fri: 10:00am–3:00pm

[www.FirstChoiceBankCA.com](http://www.FirstChoiceBankCA.com)



17785 Center Court Drive N., Suite #750 • Cerritos, CA 90703



## Cybersecurity Education: “Mystery Shopper” Scam

In these challenging economic times, more and more types of scams are popping up across the United States. In recent months, government agencies have seen an increase in the number of reported “mystery shopper” scams. Read below to learn how you can protect yourself.

### What is mystery shopping?

Some retailers hire companies to evaluate the quality of service in their stores – and oftentimes, they use mystery shoppers to get the information. The mystery shopper makes a particular purchase in a store or restaurant and then reports on the experience. Mystery shoppers are typically paid for each job and reimbursed for certain expenses.

### What’s the scam?

You’ve been “hired” to be a mystery shopper, and you’re told to evaluate a money transfer service, like Western Union or MoneyGram. You receive a check with instructions to deposit it in a personal bank account, withdraw the amount in cash and wire it to a third party. The wire gets processed and

you realize that the check was fake – the fraudster is gone and you’re now responsible for paying back the bank.

### How can you protect yourself?

With current technology, scammers can easily create authentic-looking checks emblazoned with the name and logos of actual companies and banks. It’s often difficult or nearly impossible to detect.

Protect yourself – be cautious when depositing a check from someone you don’t know and, more importantly, be wary when wiring money to strangers. Wire transfers can be picked up almost anywhere in the world and United States law enforcement agencies may have little recourse in recovering the funds.

If you’re interested in being a mystery shopper, remember to research the company, contact the Better Business Bureau or perform a quick search online. And take extra precaution if the company is based in a foreign country or requires money to be sent to an individual in a foreign country.

**Questions?** The Mystery Shopping Professionals Association’s (MSPA) website, [mysteryshop.org](http://mysteryshop.org), can be used to search a database of mystery shopper assignments and how to apply for them. If you suspect you have seen a mystery shopping scam, please file a complaint with:

Federal Trade Commission ([www.ftc.gov](http://www.ftc.gov)) • California Attorney General