



# 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:

We'd like to welcome all of the Pacific Commerce customers, employees and shareholders to the First Choice family! On July 31, 2018, the merger of First Choice Bank and Bancorp with Pacific Commerce Bank and Bancorp was successfully completed. This transaction will make First Choice the premier community bank in Southern California and beyond, with an expanded presence in Los Angeles and San Diego counties, from Pasadena all the way to the Mexican border. As well, the joining of our two institutions enables us to offer an abundance of exceptional products and services, particularly our enhanced online and Treasury Management systems, to every client, allowing for a more robust customer experience overall. Full details about the transaction can be found at <http://www.sn1.com/IRW/file/8932179/Index?KeyFile=394462634>.

In addition to gaining new customers, employees and shareholders, we are also pleased to announce four new members of the First Choice Board of Directors – Maria Salinas, Max Freifeld, Tom Iino and Luis Maizel. Each individual brings a unique set of experiences and a wealth of knowledge that will benefit First Choice going forward, and we're excited to welcome them aboard.

As part of the merger, the Bank is processing a core conversion, scheduled to take place the weekend of September 21-23, 2018, to combine the back-office systems of both banks into one. Notification regarding upcoming account changes and timing has already been sent to all affected customers, with additional updates forthcoming. We are excited to complete the system conversion so that all customers, both legacy First Choice customers and new Pacific Commerce customers, will have access to an even wider branch network and first-class lending and deposit product lines.

First Choice common stock (ticker symbol "FCBP") began trading on the Nasdaq Capital Market on May 1 of this year. Becoming a Nasdaq-listed stock is an incredible milestone for our "little community bank," which started in 2005 with just 16 employees and less than \$30 million in assets. We were also recently invited to participate in the Closing Bell Ceremony at the Nasdaq MarketSite in Times Square, New York, another exciting opportunity for our Bank! Pictures from the ceremony can be found inside. In addition to being traded on Nasdaq, FCBP was added to both the Russell 3000® and the Russell 2000® Indexes after market close on June 22, 2018. We are happy and honored to have earned this distinction, with inclusion in these market benchmarks expected to raise our profile with institutional investors, as well as support trading of our shares.

In financial news, we are pleased to report strong earnings for the first half of the year. As of June 30, 2018, First Choice had earned \$5.8 million in net income year-to-date. As well, the Board of Directors just approved the third quarterly cash dividend of 2018, \$0.20 per share, to be paid to shareholders on September 10. Additional performance details are included inside.

This quarter, our Customer Spotlight is on UTC Ice Sports Center. They are longtime clients, joining us from Pacific Commerce. We're excited to welcome them to the First Choice family.

We are proud of our team's participation in community events during the second quarter, including the Blind Children's Learning Center Annual 5K Walk, the 2018 SIMNSA Golf Tournament, LA Saves and the FCB Scholarship Program. More information and pictures from the events can be found within.

Our 8th Annual Charity Golf Tournament is almost here! It will be taking place on Thursday, October 25, and we need your help to make it the biggest event yet. Full details are inside.

Our 2018 Annual Shareholders' Meeting took place on June 19, with a good time had by all in attendance. Some pictures from the evening are included in this issue. If you missed this year's meeting, we encourage you to join in next year.

We thank each and every one of you for your continued trust in us and support of our efforts to bring the Bank to the level of success we know it can achieve. Even with all of the changes going on, we remain steadfastly committed to helping our communities, our customers, our employees and our shareholders to develop their own success stories. Thank you again for everything!

Respectfully,

Peter Hui  
Chairman of the Board

Robert M. Franko  
President/Chief Executive Officer

# Customer Spotlight: UTC Ice Sports Center



What makes UTC Ice Sports Center unique is that it is the only ice skating rink in San Diego that is located in an outdoor shopping center. The facility, which recently underwent a complete renovation, offers free intro-to-ice-skating lessons, youth and adult ice hockey leagues, figure skating classes and competitions, and private parties and training sessions.

UTC Ice began its banking relationship with Vibra Bank in 2012, then transitioned to Pacific Commerce after its acquisition of Vibra. Owners Joe and Irina Polonsky said, "Our experience with Pacific Commerce Bank has always been positive. The level of knowledge, attention to detail and quality of service has made us a loyal customer for life." We at First Choice look forward to continuing the excellent customer service that UTC Ice deserves!

## FCB Community Events

### Blind Children's Learning Center 14th Annual Destination Independence 5K Walk

First Choice Bank was thrilled to sponsor and take part in the Blind Children's Learning Center's 14th Annual Destination Independence 5K Walk on May 13, 2018. Each year, the event raises funds to support the work BCLC does to prepare children with visual impairments for a life of independence through early intervention, education and family support. We are grateful for the opportunity to participate in this and other BCLC events and to help make a positive difference in the lives of these children.

### SIMNSA Annual Golf Tournament

First Choice Bank was pleased to be a sponsor for the 3rd Annual SIMNSA Golf Tournament benefiting families in need in Tijuana. In conjunction with Fundación SIMNSA, whose motto is Bridging Borders – Protecting Families, sponsorship money from the tournament will be used to build care facilities in Tijuana to serve at least 12 to 15 families at a time with children undergoing cancer treatment. We are honored to have been part of this worthy cause, which previously has been a passion project for Pacific Commerce, and are grateful to be able to give support to these children and their families.



### LA Saves with the Ron Finley Project

For the second year in a row, First Choice Bank joined other bankers on June 30 at the Ron Finley Project–DaFUNction event fair at the Vermont Square Library to provide financial literacy through the LA Saves campaign. The program seeks to motivate and encourage low-to-moderate-income individuals and families to save money, reduce debt and build wealth over time. Thirty savings pledges were made by attendees of the event, with volunteers highlighting the program's key focus of making savings a priority for everyone.

### FCB Scholarship Program

First Choice Bank was proud to once again partner with the Alhambra and ABC Unified School Districts to provide scholarships to graduating high school students that are economically disadvantaged and have demonstrated academic excellence. This year, 11 outstanding students received a total of \$11,000 in scholarship funds. FCB is thrilled to have a hand in helping these students thrive in their education.

### FCB's 8th Annual Charity Golf Tournament

This year's Annual Charity Golf Tournament, scheduled for Thursday, October 25, will take place once again at the Industry Hills Golf Club at Pacific Palms Resort. The event benefits 18 local nonprofit organizations and also recognizes a "Citizen of the Year" who embodies a spirit of giving. We need your support to make an even bigger impact this year. Please contact Nora Perez for details (714.634.5145 or nperez@firstchoicebankca.com).



October 25, 2018  
8th Annual Charity Golf Tournament  
Industry Hills Golf Club | Pacific Palms Resort







## Nasdaq Closing Bell Ceremony

First Choice was invited to visit the Nasdaq MarketSite Studio in Times Square, New York, on August 17 to participate in the day's Closing Bell Ceremony. In honor of the occasion, Chairman Peter Hui got to ring the closing bell, surrounded by First Choice Directors and Executive Management. *These photos are © Copyright 2016, Nasdaq and available for re-publication by the news media only. Any commercial use is strictly prohibited without the prior written consent of The Nasdaq Stock Market, Inc.*



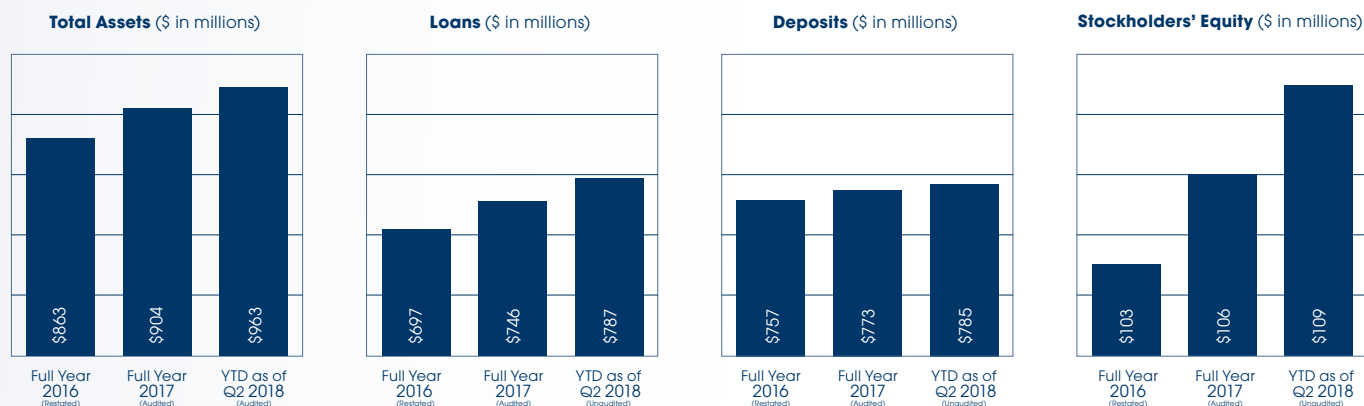
## Consolidated Financial Highlights

|  | Full Year 2016<br>(Restated) | Full Year 2017<br>(Audited) | YTD as of Q2 2018<br>(Unaudited) |
|--|------------------------------|-----------------------------|----------------------------------|
| Net Income (\$ in millions)  | \$8.3                        | \$7.4                       | \$5.8                            |
| Return on Average Assets (%)   | 1.0%                         | 0.8%                        | 1.3%                             |
| Return on Average Equity (%)   | 8.6%                         | 7.0%                        | 10.7%                            |
| Efficiency Ratio (%)   | 55.5%                        | 59.6%                       | 59.8%                            |
| Non-Current Loans + Other Real Estate Owned to Loans + Other Real Estate Owned (%) | 0.5%                         | 0.2%                        | 0.2%                             |

| Actuals                               | 2016<br>(Restated) | 2017<br>(Audited) | YTD as of Q2 2018<br>(Unaudited) |
|---------------------------------------|--------------------|-------------------|----------------------------------|
| TOTAL ASSETS (\$ in millions)         | \$863              | \$904             | \$963                            |
| GROSS LOANS (\$ in millions)          | \$697              | \$746             | \$787                            |
| TOTAL DEPOSITS (\$ in millions)       | \$757              | \$773             | \$785                            |
| STOCKHOLDERS' EQUITY (\$ in millions) | \$103              | \$106             | \$109                            |

| Growth                   | 2016<br>(Restated) | 2017<br>(Audited) | YTD as of Q2 2018<br>(Unaudited) |
|--------------------------|--------------------|-------------------|----------------------------------|
| TOTAL ASSETS (%)         | 6%                 | 5%                | 7%                               |
| GROSS LOANS (%)          | 5%                 | 7%                | 5%                               |
| TOTAL DEPOSITS (%)       | 7%                 | 2%                | 2%                               |
| STOCKHOLDERS' EQUITY (%) | 11%                | 3%                | 3%                               |

## Strong Growth



# Branch Locations

## Corporate Headquarters

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

## Cerritos Branch

12845 Towne Center Dr. | Cerritos, CA 90703  
Phone: 562.356.9632  
Mon–Thurs: 9:00am–4:00pm | Fri: 9:00am–6:00pm

## Rowland Heights Branch

17458 E. Colima Rd. | Rowland Heights, CA 91748  
Phone: 626.964.3400  
Mon–Thurs: 9:00am–4:00pm | Fri: 9:00am–6:00pm

## Alhambra Branch

407 W. Valley Blvd., Ste. 1 | Alhambra, CA 91803  
Phone: 626.300.8987  
Mon–Thurs: 9:00am–5:00pm | Fri: 9:00am–6:00pm  
Sat: 10:00am–1:00pm

## Anaheim Branch

2401 E. Katella Ave., Ste. 125 | Anaheim, CA 92806  
Phone: 714.634.5119  
Mon–Thurs: 9:00am–4:00pm, Fri: 9:00am–6:00pm

## Little Tokyo Branch

420 E. Third St., Ste. 100 | Los Angeles, CA 90013  
Phone: 213.617.0082  
Mon–Fri: 9:00am–5:00pm

## 6th and Figueroa Branch

888 W. 6th St., Ste. 200 | Los Angeles, CA 90017  
Phone: 213.613.5000  
Mon–Fri: 9:00am–4:00pm

## Pasadena Branch

918 E. Green St., Ste. 100 | Pasadena, CA 91106  
Phone: 626.714.3232  
Mon–Fri: 9:00am–4:00pm

## West LA Branch

11300 W. Olympic Blvd., Ste. 100 | Los Angeles, CA 90064  
Phone: 310.445.9033  
Mon–Fri: 9:00am–4:00pm

## Manhattan Beach Private Banking Office

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

## Carlsbad Branch

5857 Owens Ave., Ste. 106 | Carlsbad, CA 92008  
Phone: 888.817.5665  
Mon–Fri: 9:00am–5:00pm

## San Diego Branch

12730 High Bluff Dr., Ste. 100 | San Diego, CA 92130  
Phone: 858.500.3098  
Mon–Fri: 9:00am–4:00pm, or By Appointment

## Chula Vista Branch

530 Broadway | Chula Vista, CA 91910  
Phone: 619.422.5300  
Mon–Fri: 9:00am–5:00pm

## Temecula LPO

41530 Enterprise Cir. S., Ste. 202 | Temecula, CA 92590  
Phone: 844.315.7855  
By Appointment Only

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



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## Annual Shareholders' Meeting

The First Choice Directors and Shareholders gathered once again at the Cerritos Library to conduct this year's Annual Meeting. After the normal meeting business, shareholders and customers took the opportunity to tell their own stories about First Choice Bank. It was inspirational to hear the positive impact the Bank has had with so many members of its extended family. We're looking forward to seeing everyone next year!

