



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:

Happy New Year to all of you! We hope that everyone was able to enjoy the holiday season and is ready to begin this year with enthusiasm and energy. Once again, we are focused on creating greater value for all those we serve. In particular, we have several new customer solutions launching throughout 2020, all of which are designed to help each of you to be more productive and successful. Stay tuned for more details as they become available.

In financial news, we are excited to report a record year of net earnings for 2019. For the fourth quarter of 2019, First Choice earned \$6.0 million in net income, with net income for the full year of 2019 totaling \$27.8 million, the highest ever for the Company! These incredible results reflect the dedication and hard work of our employees and management's successful execution of our strategic plan to grow the Bank. Based on a healthy new business development pipeline and more specialty and comprehensive customer products and services, we hope to see a continuation in last year's positive trends for loan and deposit growth. We believe we are well-positioned to deliver another strong year for shareholders in 2020. Additional performance information can be found inside and in our recent press release: [First Choice Announces Fourth Quarter and Full Year 2019 Financial Results](#).

In addition to record net earnings for the year, we increased our quarterly dividend by 25%, starting with the \$0.25/share quarterly dividend paid in December 2019 ([First Choice Announces Increased Quarterly Cash Dividend](#)). During 2019, we were able to return approximately \$19 million in capital to our shareholders through quarterly cash dividends and our stock repurchase program.*

At the core of First Choice's culture and business model is the central belief that we are here to make a positive impact for our clients, our shareholders, our employees and the communities in which we live and work. To that end, we are pleased to announce that the Bank earned an "Outstanding" rating, the highest available, during our most recent Community Reinvestment Act regulatory exam by the FRB ([First Choice Bank Earns Outstanding CRA Rating](#), the primary focus of which is on the Bank's activities in Community Lending and Development. As part of our commitment to local communities, we participated in several activities during the final part of last year. Full details and pictures can be found on the following pages.

Aristotle coined the phrase, "The whole is greater than the sum of its parts." However, as we approach our 15-year anniversary this summer, we would like to express our sincerest gratitude to all of our shareholders, clients and employees, as it is you, the "sum of our parts," that still sets us apart from other banks all these years after we first started. Thank you for choosing and trusting us as your banking partner.

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 equal or similar to this increased amount or that the Board will not decide to suspend or discontinue the payment of cash dividends in the future.

Active in Our Communities

Community Reinvestment Act Outstanding Rating

We are proud to announce that the Bank has received the highest available rating, "Outstanding," during its most recent Community Reinvestment Act ("CRA") examination by the Federal Reserve Bank ("FRB") of San Francisco. This top rating is a direct result of the continuing dedication and hard work of the employees across FCB's organization and is also indicative of the strong commitment the Bank has made, as a responsible corporate citizen, to support all segments of the communities we serve.

In further recognition of FCB's community development activities, the Bank also recently received an award from the Community Development Financial Institution Fund's Bank Enterprise Award (BEA) Program, after having received such awards every year since 2011. The BEA Program complements the community development activities of insured depository institutions by providing financial incentives to expand investments and services in the most economically distressed communities.



In December, we partnered with the Marine Toys for Tots Program for the sixth year in a row. Our employees, directors and even some of our customers generously donated both toys and money to ensure the less fortunate children in our communities were able to have a happy holiday season.

We also participated in the Weingart East Los Angeles YMCA's 12th Annual Community Toy Giveaway. Over 1,700 families attended and benefitted from the event, with some of the YMCA children doing gymnastics and Ballet Folklórico performances for the guests. We are grateful for the continuing support provided by the Bank and its employees and directors for these and other very worthy organizations.



During the last part of 2019, FCB employees and directors were able to volunteer in several community activities. We provided financial literacy through the LA Saves campaign, a program that seeks to motivate and encourage low-to-moderate-income individuals and families to save money, with many individuals and families at the event signing a pledge to start or continue saving.

We also had the pleasure once again of participating in a Junior Achievement (JA) Financial Literacy Day. This time, we assisted students from Bell Gardens High School with a hands-on "real-life" budgeting simulation in which they had to create a budget and then successfully navigate paying bills, making charitable donations and building up their savings. The experience is a great teaching tool for the students and is very rewarding for us as volunteers.



First Choice Bank's Annual Charity Golf Tournament

FCB's 9th Annual Charity Golf Tournament was a rousing success! The event raised a record \$130,000 for the 18 non-profit organizations this year, with FCB's donation total of \$65,000 matched dollar-for-dollar by the Much is Given Foundation. The Bank presented this year's Citizen of the Year award to Chef Bruno Serato of Caterina's Club for the work he does to help those most vulnerable and most in need in the local community.

We are so grateful to all of the sponsors, participants and those who helped behind the scenes to make the event so fantastic. We look forward to seeing everyone again this October!



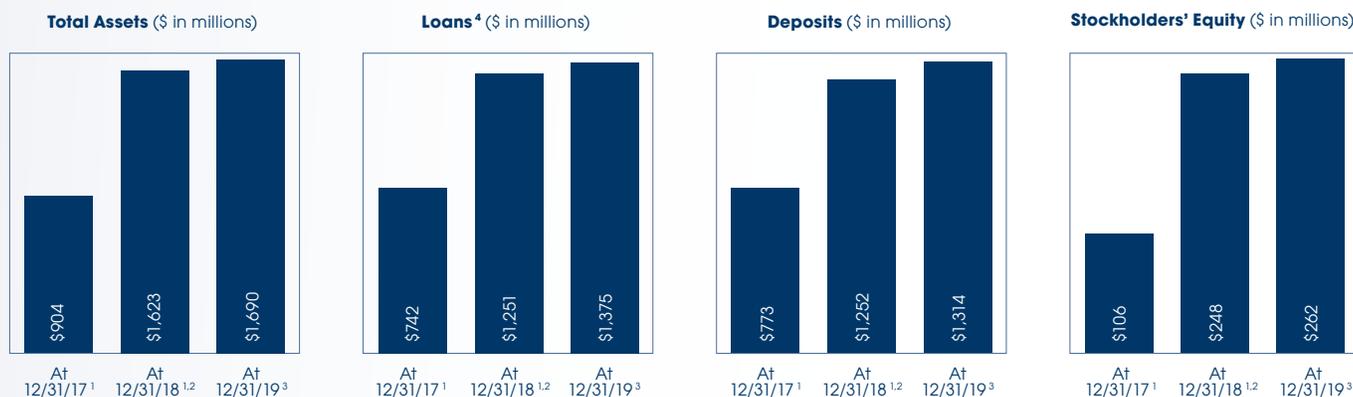
Consolidated Financial Highlights

Balance Sheet (\$ in millions)	At 12/31/17 ¹	At 12/31/18 ^{1,2}	At 12/31/19 ³
TOTAL ASSETS	\$904	\$1,623	\$1,690
LOANS HELD FOR INVESTMENT ⁴	\$742	\$1,251	\$1,375
DEPOSITS	\$773	\$1,252	\$1,314
STOCKHOLDERS' EQUITY	\$106	\$248	\$262

Growth (Year-to-date actual %)	At 12/31/17 ¹	At 12/31/18 ^{1,2}	At 12/31/19 ³
TOTAL ASSETS	4.8%	79.6%	4.1%
LOANS HELD FOR INVESTMENT ⁴	6.6%	68.6%	9.9%
DEPOSITS	2.1%	62.0%	5.0%
STOCKHOLDERS' EQUITY	3.1%	134.6%	5.6%

Key Performance Metrics (\$ in millions)	At 12/31/17 ¹	At 12/31/18 ^{1,2}	YTD 12/31/19 ³
NET INCOME	\$7.4	\$15.1	\$27.8
RETURN ON AVERAGE ASSETS	0.8%	1.3%	1.7%
RETURN ON AVERAGE EQUITY	7.0%	9.1%	10.9%
EFFICIENCY RATIO	59.6%	61.1%	50.3%
NON-PERFORMING LOANS OF TOTAL ASSETS	0.2%	0.1%	0.7%

Strong Growth



(1) Audited; (2) Acquisition of Pacific Commerce Bancorp completed on July 31, 2018; (3) Unaudited financial results at and for the twelve months ended December 31, 2019; (4) Represents loans held for investment, net of premium/discount and deferred costs/fees.

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: 9:00am–4:00pm

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

Carlsbad Branch

5857 Owens Ave., Ste. 106 | Carlsbad, CA 92008
Phone: 760.448.4700
Mon–Fri: 9:00am–5:00pm

Cerritos Branch

12845 Towne Center Dr. | Cerritos, CA 90703
Phone: 844.392.2842
Mon–Thurs: 9:00am–4:00pm | Fri: 9:00am–6:00pm

Chula Vista Branch

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

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: 9:00am–4:00pm

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

San Diego Loan Production Office

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

West LA Branch

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

www.FirstChoiceBankCA.com



First Choice Bank

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Help Us Protect Your Financial Information

Ensuring your account security is a top priority for us. Working together, we can help keep you and your account information safer. You can do your part by keeping in mind the following safeguards:

1. Check your monthly statements to ensure they match your recollection and your other records. Please notify us immediately about any discrepancies.
2. Set up online banking so you can easily monitor your account and be alert to a discrepancy more quickly.
3. Never give out account numbers or other personal financial information unless you can validate the authenticity of the requestor.
4. Update your contact information if it's not current, including all phone numbers and your email address. It is vital we can reach you to validate suspicious transactions.
5. Always shred personal and financial information before discarding it.
6. Review your credit report every year. You're entitled to a free credit report annually. Simply contact one of the three main credit-reporting bureaus directly or visit www.annualcreditreport.com:

Equifax®

800-525-6285

equifax.com

Experian®

888-397-3742

experian.com

TransUnion®

800-680-7289

transunion.com



Member
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