

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **April 26, 2021**

**FIRST CHOICE BANCORP**

(Exact Name of Registrant as Specified in Charter)

**California**  
(State or other jurisdiction  
of incorporation)

**001-38476**  
(Commission  
File Number)

**82-2711227**  
(IRS Employer  
Identification No.)

**17785 Center Court Drive, N Suite 750**  
**Cerritos, California**  
(Address of principal executive offices)

**90703**  
(Zip Code)

Registrant's telephone number, including area code: **(562) 345-9092**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, no par value	FCBP	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Item 2.02 Results of Operations and Financial Condition

On April 26, 2021 First Choice Bancorp (NASDAQ: FCBP), the holding company for First Choice Bank (the “Company”) announced its consolidated results of operations and financial condition at and for the three months ended March 31, 2021. The press release is furnished as Exhibit 99.1 and incorporated herein by reference.

## Item. 7.01 Regulation FD Disclosure

On April 26, 2021, the Company posted an Investor Presentation, dated April 26, 2021, to its website. The Investor Presentation will be used in communications with investors and analysts in the future. A copy of the presentation material is furnished as Exhibit 99.2 of this Form 8-K and is also available on the Company’s website at <https://www.firstchoicebankca.com/>, and clicking “Investor Relations” and then clicking “Presentations” under the “News and Events” menu located at the top.

By filing this Current Report on Form 8-K and furnishing the information contained herein, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

The information contained in the presentation is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission (“SEC”) filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

## Item. 8.01 Other Events

On April 26, 2021, the Company issued a press release announcing the declaration of a cash dividend of \$0.25 per share, payable on or about May 24, 2021, to holders of its common stock of record as of the close of business on May 10, 2021. A copy of the press release announcing the cash dividend is attached hereto as Exhibit 99.2 and is incorporated by reference herein.

The information in this Current Report on Form 8-K, including Exhibits 99.1, 99.2 and 99.3, is being furnished pursuant to Items 2.02, 7.01 and 8.01 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and such information shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall expressly be set forth by specific reference in such a filing.

## Item 9.01. Financial Statements and Exhibits

### (d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Earnings Releases, dated April 26, 2021</a>
99.2	<a href="#">Investor Presentation, dated April 26, 2021</a>
99.3	<a href="#">Press Release announcing Dividend, dated April 26, 2021</a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**FIRST CHOICE BANCORP**

Dated: April 26, 2021

By: /s/ Robert M. Franko

Name: Robert M. Franko

Title: President & Chief Executive Officer

**First Choice Bancorp Announces  
First Quarter of 2021 Financial Results**

**Current Quarter Highlights**

- Net income of \$9.8 million, compared to \$10.8 million for Q4'20 and \$4.5 million for Q1'20
- Diluted earnings per common share of \$0.82, compared to \$0.92 for Q4'20 and \$0.39 for Q1'20
- Pre-tax pre-provision income was \$14.0 million, compared to \$15.4 million for Q4'20 and \$9.1 million for Q1'20
- Net interest margin of 4.20%, compared to 4.31% for Q4'20 and 4.78% for Q1'20
- Cost of funds of 0.18%, improved 9 bps from Q4'20 and 54 bps from Q1'20
- Return on average assets of 1.64%, compared to 1.88% for Q4'20 and 1.06% for Q1'20
- Return on average equity of 13.86%, compared to 15.44% for Q4'20 and 6.90% for Q1'20
- Efficiency ratio of 46.4%, compared to 44.4% for Q4'20 and 56.0% for Q1'20
- No provision for loan loss expense for Q1'21, compared to \$100 thousand for Q4'20 and \$2.7 million for Q1'20
- Sale of SBA and Main Street loans decreased from Q4'20 resulting in a \$2.6 million decrease in gain on sale of loans
- Total loans held for investment excluding Paycheck Protection Program("PPP") loans increased \$25.3 million, or 6.48% annualized
- Noninterest-bearing demand deposits increased \$177.8 million, up 21.7% over Q4'20, represented 52.7% of total deposits at March 31, 2021, compared to 50.2% at December 31, 2020 and 46.5% at March 31, 2020
- Tangible book value per share of \$17.69, up \$0.40 per share from Q4'20 and up \$1.88 per share from Q1'20
- Community bank leverage ratio (preliminary) was 9.76% at March 31, 2021
- Quarterly cash dividend of \$0.25 per share

**Community Support Updates**

- Originated Round 3 PPP loans of \$194.3 million during Q1'21, with net deferred fees of \$6.5 million
- Total outstanding principal of PPP loans, net of deferred fees, was \$442.7 million at March 31, 2021, up \$122.6 million from December 31, 2020
- \$67.9 million of PPP loans originated in 2020 were forgiven by the SBA or repaid by the borrowers during Q1'21, for a total of \$140.9 million forgiven or repaid since origination in 2020

Cerritos, CA, April 26, 2021 – First Choice Bancorp (NASDAQ: FCBP) (“us,” “we,” “our,” or the “Company”), the holding company of First Choice Bank (the “Bank”), today reported net income of \$9.8 million for the first quarter of 2021, or \$0.82 per diluted share, compared to net income of \$10.8 million, or \$0.92 per diluted share, for the fourth quarter of 2020 and net income of \$4.5 million, or \$0.39 per diluted share, for the first quarter of 2020. Pre-tax pre-provision income was \$14.0 million for the first quarter of 2021, a decrease of \$1.4 million, compared to the pre-tax pre-provision income of \$15.4 million for the fourth quarter of 2020 and an increase of \$4.9 million, compared to the pre-tax pre-provision income of \$9.1 million for the first quarter of 2020.

“First Choice’s first quarter of 2021 demonstrated the resilience of our franchise, the continued dedication of our employees, and the tremendous success we have been able to achieve for our clients and shareholders” said Peter Hui, Chairman of the Board of the Company. “With the rapid economic recovery, we are poised for continued growth while appropriately managing risks. I am proud of our First Choice Family and the commitment they have to our community and local businesses. It is their daily effort that continues to make First Choice successful.”

“We began 2021 with a sense of optimism about our business and the economy and we were not disappointed,” said Robert M. Franko, President, CEO and CFO of the Company. “Our first quarter results again demonstrated the strength of our banking franchise as we grew assets and deposits while maintaining healthy margins and strong credit quality. We continued to support the individuals and businesses we serve by originating \$194 million of Round 3 PPP loans. The rebound of the local economy will provide the Company with the opportunity to reinforce our position as one of the premier Southern California community banks.”

## **STATEMENT OF INCOME**

### **Net Interest Income**

Net interest income for the first quarter of 2021 totaled \$23.8 million, an increase of \$298 thousand from the fourth quarter of 2020 due to lower interest expense of \$379 thousand, partially offset by lower interest income of \$81 thousand. The decrease in interest expense for the first quarter of 2021 was due primarily to lower interest expense on brokered time deposits and lower borrowing interest expense. Interest expense on deposits decreased \$311 thousand, coupled with a decrease of \$68 thousand on total borrowings. Interest expense on the PPP Liquidity Facility (“PPPLF”) was \$171 thousand for the first quarter of 2021, compared to \$216 thousand in the fourth quarter of 2020 due to lower average borrowings.

### **Net Interest Margin**

Net interest margin for the first quarter of 2021 decreased 11 basis points to 4.20% from 4.31% for the fourth quarter of 2020.

The decrease in the net interest margin was due primarily to an 18 basis point decrease in loan yields (including fees and discounts), partially offset by a 9 basis point decrease in total funding costs. The yield on loans decreased to 4.97% for the first quarter of 2021, compared to 5.15% for the fourth quarter of 2020. The weighted average loan yield for PPP loans was 3.76% including the accelerated accretion of deferred fee income from PPP loan forgiveness, or 2.32% without the accelerated accretion income. The yield on loans, excluding PPP loans, was stable at 5.27% and 5.28% for the first quarter of 2021 and the fourth quarter of 2020, respectively.

The cost of funds decreased to 0.18% for the first quarter of 2021, compared to 0.27% for the fourth quarter of 2020, due primarily to an increase in average noninterest-bearing deposits, coupled with the lower brokered time deposit costs. The average cost of brokered time deposits decreased 114 basis points to 0.57% for the first quarter of 2021, compared to 1.71% for the fourth quarter of 2020.

The total cost of deposits decreased 9 basis points to 0.13% for the first quarter of 2021, compared to 0.22% for the fourth quarter of 2020.

### **Provision for Loan Losses**

No provision for loan losses was recognized for the first quarter of 2021, compared to \$100 thousand for the fourth quarter of 2020. The decrease in the first quarter provision for loan losses was driven primarily by \$104 thousand in net recoveries, a decrease in specific reserves of \$368 thousand from a risk rating upgrade of a nonperforming loan relationship, and lower historical loss rates in the first quarter of 2021, partially offset by the increased reserves required for organic loan growth. While the economy gradually reopened in the first quarter of 2021 with the COVID-19 vaccine rollout, the timing of an economic recovery continues to remain uncertain. Accordingly, the assumptions underlying the COVID-19 related qualitative factors we used in determining the adequacy of the provision for loan losses continued to include (a) uncertain and volatile macroeconomic conditions caused by the pandemic; (b) a stabilized unemployment rate; and (c) the additional government stimulus package signed into law during the first quarter of 2021. No provision for loan losses was recognized on PPP loans as the SBA guarantees 100% of loan principal under the program.

### **Noninterest Income**

Noninterest income for the first quarter of 2021 was \$2.3 million, a decrease of \$1.9 million from \$4.2 million for the fourth quarter of 2020 due primarily to lower gains on loan sales of \$2.6 million, partially offset by higher net servicing fees of \$199 thousand and higher other income of \$468 thousand. SBA loans sold during the first quarter of 2021 totaled \$7.4 million resulting in a gain on sale of \$706 thousand, compared to \$36.7 million of SBA loans sold resulting in a gain on sale of \$2.6 million in the fourth quarter of 2020. Gain on loan sales for the fourth quarter of 2020 included the sale of 95% participation interest in Main Street loans resulting in gains of \$660 thousand. Other income included \$476 thousand gain from sale of the Rowland Heights branch during the first quarter of 2021. There was no similar income in the fourth quarter of 2020.

### **Noninterest Expense**

Noninterest expense decreased \$224 thousand to \$12.1 million for the first quarter of 2021 from \$12.3 million for the fourth quarter of 2020. This decrease was due primarily to lower salaries and employee benefit expenses, and lower occupancy and equipment, partially offset by higher other expenses.

The \$306 thousand decrease in salaries and employee benefits was primarily due to lower commission and incentive accruals and higher deferred origination costs, partially offset by higher payroll taxes and employee benefits resulting from a seasonally higher first quarter. The \$85 thousand decrease in occupancy and equipment was due primarily to the reduction of rent expense from the branch sale and other office space consolidations during the first quarter of 2021.

The increase in other expenses related primarily to a \$200 thousand increase in the provision for unfunded loan commitments resulting from a volume increase in the first quarter of 2021. There was no provision for unfunded loan commitments recognized in the fourth quarter of 2020.

The efficiency ratio remained favorable and increased to 46.4% in the first quarter of 2021, compared to 44.4% in the fourth quarter of 2020. The higher efficiency ratio in the first quarter of 2021 was driven primarily by lower revenue.

### **Income Taxes**

Income tax expense was \$4.2 million for the first quarter of 2021 compared to \$4.5 million for the fourth quarter of 2020. The effective tax rate was 30.2% for the first quarter of 2021 and 29.5% for the fourth quarter of 2020.

## **STATEMENT OF FINANCIAL CONDITION**

### **Loan Portfolio**

Total loans held for investment increased \$147.8 million in the first quarter of 2021, to \$2.03 billion at March 31, 2021, due to the net loan growth from PPP loans of \$122.6 million, coupled with \$25.3 million of net organic loan growth. Loans held for sale increased \$2.7 million to \$12.7 million as the Company continued to originate new SBA 7a loans in the first quarter of 2021.

New loan commitments from organic growth, excluding PPP loans, totaled \$166.2 million for the first quarter of 2021, compared to \$202.9 million for the fourth quarter of 2020 and included \$103.9 million in construction and commercial real estate loans, \$41.0 million in commercial and industrial loans, \$21.3 million in SBA loans.

Total unfunded loan commitments increased \$54.5 million to \$487.8 million at March 31, 2021 from \$433.3 million at December 31, 2020 due partially to new commitments during the first quarter of 2021.

### **PPP Loans**

PPP loans, net of unearned fees of \$10.5 million, totaled \$442.7 million at March 31, 2021. During the first quarter of 2021, the Company originated more than 700 PPP Round 3 loans with outstanding principal of \$194.3 million before net deferred fees of \$6.5 million. Net deferred fees on PPP Round 3 are being accreted to income based on the five-year contractual loan maturity. During the first quarter of 2021, approximately \$67.9 million of PPP loans originated in 2020 were forgiven by the SBA or repaid by the borrowers. Net PPP deferred fees of \$1.4 million were accelerated to income at the time of SBA forgiveness or borrower repayment. PPP loans forgiven-to-date totaled \$140.9 million at March 31, 2021.

### **Deposits**

Total deposits increased \$261.4 million from the prior quarter to \$1.90 billion at March 31, 2021 due to an increase in both noninterest-bearing and interest-bearing nonmaturity deposits, partially offset by a decrease in time deposit accounts.

At March 31, 2021, noninterest-bearing deposits totaled \$998.5 million, an increase of \$177.8 million in the first quarter of 2021 due primarily to the increase in core customer deposits, coupled with the increase in customers' accounts funded by the PPP funds. Interest-bearing nonmaturity deposits increased \$90.4 million due primarily to an increase in low cost brokered deposits. Noninterest-bearing deposits represented 52.7% of total deposits at March 31, 2021, compared to 50.2% of total deposits at December 31, 2020.

Time deposits decreased \$6.8 million due to a decrease in customer time deposits which matured in the first quarter of 2021, offset by an increase in brokered time deposits. At March 31, 2021, brokered time deposits totaled \$109.8 million, compared to \$101.1 million at December 31, 2020.

### **Borrowings**

At March 31, 2021, FHLB borrowings decreased \$50.0 million to \$95.0 million, compared to \$145.0 million at December 31, 2020. The decrease in FHLB borrowings was due to the growth in noninterest-bearing deposits during the first quarter of 2021. The Company's borrowings under the PPPLF totaled \$210.0 million, an increase of \$5.3 million in the first quarter of 2021, compared to \$204.7 million at December 31, 2020. The increase in PPPLF was due to new borrowings of \$50.7 million related to the Round 3 PPP loans, partially offset by the repayment of \$45.4 million related to the PPP loan forgiveness during the first quarter of 2021. At March 31, 2021, there were no borrowings under the senior secured notes, compared to \$2.0 million at December 31, 2020.

## Credit Quality

Nonperforming loans decreased to \$4.2 million at March 31, 2021, compared to \$6.4 million at December 31, 2020, and represented 0.21% and 0.34%, respectively, of total loans held for investment. The decrease in nonperforming loans was due to seven loans totaling \$2.2 million either upgraded and returned to accrual status or paid in full with no loss during the first quarter of 2021. There were no loans over 90 days past due that were still accruing interest at March 31, 2021. Net recoveries for the first quarter of 2021 were \$104 thousand, or 0.02% of average loans on an annualized basis, compared to net recoveries of \$333 thousand or 0.07% of average loans on an annualized basis for the fourth quarter of 2020. Nonperforming assets totaled \$4.2 million at March 31, 2021, compared to \$6.4 million at December 31, 2020, and represented 0.17% and 0.28% of total assets, respectively.

Loan delinquencies (30-89 days past due) totaled \$1 thousand at March 31, 2021, compared to \$54 thousand at December 31, 2020.

The allowance for loan losses increased 0.5% to \$19.3 million and represented 0.95% of total loans held for investment and 459.8% of nonperforming loans at March 31, 2021, compared to 1.02% and 297.3% at December 31, 2020, respectively. The allowance for loan losses as a percentage of total loans held for investment excluding PPP loans was 1.22% at March 31, 2021. At March 31, 2021, the net carrying value of acquired loans totaled \$152.9 million and included a remaining net discount of \$3.4 million. The discount is available to absorb losses on the acquired loans and represented 2.2% of the net carrying value of acquired loans and 0.17% of total gross loans held for investment.

## CAPITAL POSITION

### Capital Ratios

The Bank opted into the Community Bank Leverage Ratio (“CBLR”) framework, beginning with the first quarter of 2020. The CBLR replaces the risk-based and leverage capital requirements in the generally applicable capital rules. The minimum CBLR was originally 9%, however, on April 23, 2020, the federal banking regulators, implementing the applicable provisions of the CARES Act, issued interim rules which modified the CBLR framework so that: (i) beginning in the second quarter 2020 and until the end of the year, a banking organization that has a leverage ratio of 8% or greater and meets certain other criteria may elect to use the CBLR framework; and (ii) community banking organizations will have until January 1, 2022, before the CBLR requirement is re-established at greater than 9%. Under the interim rules, the minimum CBLR is 8.5% for calendar year 2021, and 9% thereafter. The interim rules also maintain a two-quarter grace period for a qualifying community banking organization whose leverage ratio falls no more than 1% below the applicable community bank leverage ratio. In addition, assets originated under the PPP and covered loans pledged under the PPPLF are deducted from the average total consolidated assets for purposes of calculating the CBLR. However, such assets are included in total consolidated assets for purposes of determining the eligibility to opt into the CBLR framework.

At March 31, 2021, the Bank’s preliminary CBLR ratio was 9.76% which exceeded all regulatory capital requirements under the CBLR framework and, accordingly, the Bank was considered to be “well-capitalized”.

### About First Choice Bancorp

First Choice Bancorp, headquartered in Cerritos, California, is the sole shareholder of and the registered bank holding company for, First Choice Bank. As of March 31, 2021, First Choice Bancorp had total consolidated assets of \$2.50 billion. First Choice Bank, also headquartered in Cerritos, California, is a community-based financial institution that serves primarily commercial and consumer clients in diverse communities and specializes in loans to small- to medium-sized businesses and private banking clients, commercial and industrial loans, and commercial real estate loans. First Choice Bank is a Preferred Small Business Administration (SBA) Lender. First Choice Bank conducts business through eight full-service branches and two loan production offices located in Los Angeles, Orange and San Diego Counties. Founded in 2005, First Choice Bank has quickly become a leading provider of financial services that enable our customers to grow, maintain strength, and achieve their business objectives. We strive to surpass our clients’ expectations through our efficiency, personalized services and financial solutions and professionalism and are committed to being “First in Speed, Service, and Solutions.” First Choice Bank is a strong believer in social justice and equality and is proud of its cultural- and gender-diverse workforce. As of March 31, 2021, more than 72% of the Company’s total workforce identified as ethnic minorities and more than 65% of its workforce and more than 50% of its senior management identified as female. First Choice Bancorp stock is traded on the Nasdaq Capital Market under the ticker symbol “FCBP.”

First Choice Bank’s website is [www.FirstChoiceBankCA.com](http://www.FirstChoiceBankCA.com).

## Non-GAAP Financial Measures

This press release contains certain non-GAAP financial measures in addition to results presented in accordance with GAAP. The Company uses certain non-GAAP financial measures to provide meaningful supplemental information regarding the Company's results of operations and financial condition and to enhance investors' overall understanding of such results of operations and financial condition, permit investors to effectively analyze financial trends of our business activities, and enhance comparability with peers across the financial services sector. These non-GAAP financial measures are not a substitute for GAAP measures and should be read in conjunction with the Company's GAAP financial information. A reconciliation of GAAP financial measures to non-GAAP financial measures is included in the accompanying financial tables.

## Forward-Looking Statements

*In addition to historical information, certain matters set forth herein constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to management's beliefs, projections and assumptions concerning future results and events. Forward-looking statements include descriptions of management's plans or objectives for future operations, products or services, and forecasts of the Company's revenues, earnings or other measures of economic performance. As well, forward-looking statements may relate to future outlook and anticipated events, such as the Company's plans and protocols with regard to managing potential impacts related to the COVID-19 virus, the Company's strategy to help keep its workforce and local communities safe, the Company's business continuity protocols and the potential impact on operations related to COVID-19, and the Company's ability to successfully advance its development and expansion projects and achieve its growth objectives. These forward-looking statements involve risks and uncertainties, based on the beliefs and assumptions of management and on the information available to management at the time that this presentation was prepared and can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words or phrases such as "aim," "can," "may," "could," "predict," "should," "will," "would," "believe," "anticipate," "estimate," "expect," "hope," "intend," "plan," "potential," "project," "will likely result," "continue," "seek," "shall," "possible," "projection," "optimistic," and "outlook," and variations of these words and similar expressions or the negative version of those words or phrases.*

*Forward-looking statements involve substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. Many factors could cause actual results to differ materially from those contemplated by these forward-looking statements. The Company does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements except as required by law. Any statements about future operating results, such as those concerning accretion and dilution to the Company's earnings or shareholders, are for illustrative purposes only, are not forecasts, and actual results may differ. Risks and uncertainties that could cause our financial performance to differ materially from our goals, plans, expectations and projections expressed in forward-looking statements include those set forth in our filings with the SEC, including under Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 as may be supplemented and/or amended by our Quarterly Reports on Form 10-Q as filed subsequent thereto.*

### Contacts

First Choice Bancorp  
Robert M. Franko, 562.345.9241  
President, Chief Executive Officer and Chief Financial Officer

First Choice Bank  
Mag Wangsuwana, 562.263.8340  
Senior Vice President and Chief Financial Officer

**First Choice Bancorp and Subsidiary**

**Financial Highlights and Selected Ratios (unaudited):**

	<b>At or for the Three Months Ended</b>		
	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
	<i>(dollars in thousands, except per share amounts)</i>		
Total interest and dividend income	\$ 24,792	\$ 24,873	\$ 21,744
Total interest expense	961	1,340	2,571
Net interest income	23,831	23,533	19,173
Total noninterest income	2,254	4,194	1,415
Total net interest income and noninterest income	26,085	27,727	20,588
Total noninterest expense	12,097	12,321	11,519
Pre-tax pre-provision income <sup>(1)</sup>	13,988	15,406	9,069
Provision for loan losses	—	100	2,700
Income before taxes	13,988	15,306	6,369
Income taxes	4,230	4,512	1,823
<b>NET INCOME</b>	<b>\$ 9,758</b>	<b>\$ 10,794</b>	<b>\$ 4,546</b>
Total assets	\$ 2,500,744	\$ 2,283,115	\$ 1,775,662
Total loans held for investment	2,028,599	1,880,777	1,438,055
Total loans held for investment excluding PPP loans	1,585,955	1,560,687	1,438,055
Noninterest-bearing deposits	998,515	820,711	627,793
Total deposits	1,895,550	1,634,158	1,351,040
Dividends declared per common share	\$ 0.25	\$ 0.25	\$ 0.25
Net income per share-diluted	\$ 0.82	\$ 0.92	\$ 0.39
Return on average assets	1.64%	1.88%	1.06%
Return on average equity	13.86%	15.44%	6.90%
Return on average tangible common equity <sup>(1)</sup>	19.09%	21.52%	9.84%
Net interest margin	4.20%	4.31%	4.78%
Average loan yield	4.97%	5.15%	5.95%
Cost of deposits	0.13%	0.22%	0.63%
Cost of funds	0.18%	0.27%	0.72%
Efficiency ratio <sup>(1)</sup>	46.4%	44.4%	56.0%
Noninterest-bearing deposits to total deposits	52.7%	50.2%	46.5%
Equity to assets ratio	11.49%	12.30%	14.83%
Tangible common equity to tangible asset ratio <sup>(1)</sup>	8.64%	9.18%	10.87%
Book value per share	\$ 24.31	\$ 23.98	\$ 22.58
Tangible book value per share <sup>(1)</sup>	\$ 17.69	\$ 17.29	\$ 15.81

*(1) Non-GAAP measure. See GAAP to non-GAAP Reconciliation.*

**First Choice Bancorp and Subsidiary**

**Condensed Consolidated Balance Sheets (unaudited)**

	<b>March 31, 2021</b>	<b>December 31, 2020</b> <b>(audited)</b>
	<i>(dollars in thousands, except per share amounts)</i>	
<b>ASSETS</b>		
Cash and due from banks	\$ 29,452	\$ 18,011
Interest-bearing deposits at other banks	279,994	218,370
Total cash and cash equivalents	309,446	236,381
Investment securities, available-for-sale	37,376	42,027
Investment securities, held-to-maturity	1,348	1,358
Equity securities, at fair value	2,774	2,798
Restricted stock investments, at cost	12,999	12,999
Loans held for sale	12,669	9,932
Total loans held for investment	2,028,599	1,880,777
Allowance for loan losses	(19,271)	(19,167)
Total loans held for investment, net	2,009,328	1,861,610
Accrued interest receivable	9,364	9,569
Premises and equipment	1,805	2,149
Servicing asset	2,778	2,860
Deferred taxes	6,407	7,385
Goodwill	73,425	73,425
Core deposit intangible	4,768	4,956
Other assets	16,257	15,666
<b>TOTAL ASSETS</b>	<b>\$ 2,500,744</b>	<b>\$ 2,283,115</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits:		
Noninterest-bearing demand	\$ 998,515	\$ 820,711
Money market, interest checking and savings	729,996	639,630
Time deposits	167,039	173,817
Total deposits	1,895,550	1,634,158
Borrowings	95,000	145,000
Paycheck Protection Program Liquidity Facility	209,998	204,719
Senior secured debt	—	2,000
Accrued interest payable and other liabilities	12,784	16,497
Total liabilities	2,213,332	2,002,374
Total shareholders' equity	287,412	280,741
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 2,500,744</b>	<b>\$ 2,283,115</b>
Shares outstanding	11,824,487	11,705,684
Book value per share	\$ 24.31	\$ 23.98
Tangible book value per share <sup>(1)</sup>	\$ 17.69	\$ 17.29

*(1) Non-GAAP measure. See GAAP to non-GAAP Reconciliation.*

**First Choice Bancorp and Subsidiary**

**Condensed Consolidated Statements of Income (unaudited)**

	<b>Three Months Ended</b>		
	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
	<i>(dollars in thousands, except per share amounts)</i>		
<b>INTEREST and DIVIDEND INCOME</b>			
Interest and fees on loans	\$ 24,267	\$ 24,411	\$ 20,780
Interest on investment securities	152	154	218
Interest on deposits at other financial institutions	160	129	501
Dividends on FHLB and other stock	213	179	245
Total interest and dividend income	<u>24,792</u>	<u>24,873</u>	<u>21,744</u>
<b>INTEREST EXPENSE</b>			
Interest on savings, interest checking and money market accounts	338	344	1,109
Interest on time deposits	250	555	995
Interest on borrowings	193	205	376
Interest on PPP Liquidity Facility	171	216	—
Interest on senior secured notes	9	20	91
Total interest expense	<u>961</u>	<u>1,340</u>	<u>2,571</u>
Net interest income	23,831	23,533	19,173
Provision for loan losses	—	100	2,700
Net interest income after provision for loan losses	<u>23,831</u>	<u>23,433</u>	<u>16,473</u>
<b>NONINTEREST INCOME</b>			
Gain on sale of loans	706	3,286	377
Service charges and fees on deposit accounts	441	468	555
Net servicing fees	400	201	224
Other income	707	239	259
Total noninterest income	<u>2,254</u>	<u>4,194</u>	<u>1,415</u>
<b>NONINTEREST EXPENSE</b>			
Salaries and employee benefits	7,578	7,884	7,230
Occupancy and equipment	1,083	1,168	1,063
Data processing	1,022	1,017	807
Professional fees	437	462	471
Office, postage and telecommunications	290	300	258
Deposit insurance and regulatory assessments	295	318	61
Loan related	136	84	275
Customer service related	107	60	372
Amortization of core deposit intangible	188	192	193
Other expenses	961	836	789
Total noninterest expense	<u>12,097</u>	<u>12,321</u>	<u>11,519</u>
Income before taxes	13,988	15,306	6,369
Income taxes	4,230	4,512	1,823
Net income	<u>\$ 9,758</u>	<u>\$ 10,794</u>	<u>\$ 4,546</u>
Net income per share - diluted	\$ 0.82	\$ 0.92	\$ 0.39
Weighted average shares - diluted	11,673,475	11,620,582	11,632,050

**First Choice Bancorp and Subsidiary**

**Average Balance Sheets and Yield Analysis**

	<b>Three Months Ended</b>								
	<b>March 31, 2021</b>			<b>December 31, 2020</b>			<b>March 31, 2020</b>		
	Average Balance	Interest Income / Expense	Yield / Cost	Average Balance	Interest Income / Expense	Yield / Cost	Average Balance	Interest Income / Expense	Yield / Cost
<b>Interest-earning assets:</b>	<i>(dollars in thousands)</i>								
Loans (1)	\$ 1,981,226	\$ 24,267	4.97%	\$ 1,885,451	\$ 24,411	5.15%	\$ 1,404,652	\$ 20,780	5.95%
Investment securities	44,354	152	1.39%	46,292	154	1.32%	36,200	218	2.42%
Deposits at other financial institutions	257,654	160	0.25%	223,939	129	0.23%	157,743	501	1.28%
Restricted stock investments and other bank stocks	16,034	213	5.39%	15,056	179	4.73%	14,524	245	6.78%
<b>Total interest-earning assets</b>	<b>2,299,268</b>	<b>24,792</b>	<b>4.37%</b>	<b>2,170,738</b>	<b>24,873</b>	<b>4.56%</b>	<b>1,613,119</b>	<b>21,744</b>	<b>5.42%</b>
Noninterest-earning assets	119,678			117,467			114,282		
<b>Total assets</b>	<b>\$ 2,418,946</b>			<b>\$ 2,288,205</b>			<b>\$ 1,727,401</b>		
<b>Interest-bearing liabilities:</b>									
Interest checking	\$ 373,248	\$ 138	0.15%	\$ 276,539	\$ 119	0.17%	\$ 156,407	\$ 262	0.67%
Money market accounts	305,931	189	0.25%	317,173	214	0.27%	318,465	798	1.01%
Savings accounts	32,080	11	0.14%	32,655	11	0.13%	28,264	49	0.70%
Time deposits	66,457	119	0.73%	78,775	134	0.68%	117,567	490	1.68%
Brokered time deposits	93,410	131	0.57%	97,749	421	1.71%	92,844	505	2.19%
<b>Total interest-bearing deposits</b>	<b>871,126</b>	<b>588</b>	<b>0.27%</b>	<b>802,891</b>	<b>899</b>	<b>0.45%</b>	<b>713,547</b>	<b>2,104</b>	<b>1.19%</b>
Borrowings	129,222	193	0.61%	147,663	205	0.55%	92,143	376	1.64%
Paycheck Protection Program Liquidity Facility	197,243	171	0.35%	244,638	216	0.35%	—	—	—%
Senior secured notes	1,022	9	3.57%	2,252	20	3.50%	8,022	91	4.56%
<b>Total interest-bearing liabilities</b>	<b>1,198,613</b>	<b>961</b>	<b>0.33%</b>	<b>1,197,444</b>	<b>1,340</b>	<b>0.45%</b>	<b>813,712</b>	<b>2,571</b>	<b>1.27%</b>
<b>Noninterest-bearing liabilities:</b>									
Demand deposits	917,194			794,542			631,809		
Other liabilities	17,519			18,170			17,011		
Shareholders' equity	285,620			278,049			264,869		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,418,946</b>			<b>\$ 2,288,205</b>			<b>\$ 1,727,401</b>		
Net interest spread		\$ 23,831	4.04%		\$ 23,533	4.11%		\$ 19,173	4.15%
Net interest margin			4.20%			4.31%			4.78%
Total deposits	\$ 1,788,320	\$ 588	0.13%	\$ 1,597,433	\$ 899	0.22%	\$ 1,345,356	\$ 2,104	0.63%
Total funding sources	\$ 2,115,807	\$ 961	0.18%	\$ 1,991,986	\$ 1,340	0.27%	\$ 1,445,521	\$ 2,571	0.72%

(1) Average loans include net discounts and net deferred loan fees and costs. Interest income on loans includes \$3.0 million, \$3.4 million and \$292 thousand related to the accretion of net deferred loan fees for the quarters ended March 31, 2021, December 31, 2020 and March 31, 2020. In addition, interest income includes \$496 thousand, \$287 thousand and \$624 thousand of discount accretion on loans acquired in a business combination, including the interest recognized on the payoff of PCI loans, for the quarters ended March 31, 2021, December 31, 2020 and March 31, 2020.

**First Choice Bancorp and Subsidiary**

**Loan Composition**

	March 31, 2021		December 31, 2020	
	Amount	Percentage of Total	Amount	Percentage of Total
	<i>(dollars in thousands)</i>			
Construction and land development	\$ 229,637	11.2%	\$ 197,634	10.5%
Real estate:				
Residential	25,505	1.2%	27,683	1.5%
Commercial real estate - owner occupied	159,039	7.8%	161,823	8.6%
Commercial real estate - non-owner occupied	572,414	28.0%	550,788	29.1%
Commercial and industrial	366,706	18.1%	388,814	20.5%
SBA loans <sup>(1)</sup>	688,197	33.7%	562,842	29.8%
Consumer	3	—%	1	—%
Total loans held for investment, net of discounts	\$ 2,041,501	100.0%	\$ 1,889,585	100.0%
Net deferred loan fees <sup>(1)</sup>	(12,902)		(8,808)	
Total loans held for investment	\$ 2,028,599		\$ 1,880,777	
Allowance for loan losses	(19,271)		(19,167)	
Total loans held for investment, net	\$ 2,009,328		\$ 1,861,610	

(1) Includes PPP loans with total outstanding principal of \$453.2 million and \$326.7 million and net unearned fees of \$10.5 million and \$6.6 million at March 31, 2021 and December 31, 2020.

**Total loans held for investment**

	March 31, 2021		December 31, 2020	
	<i>(dollars in thousands)</i>			
Gross loans held for investment <sup>(1)</sup>	\$ 2,048,902		\$ 1,897,599	
Unamortized net discounts <sup>(2)</sup>	(7,401)		(8,014)	
Net unamortized deferred origination fees <sup>(1)</sup>	(12,902)		(8,808)	
Total loans held for investment	\$ 2,028,599		\$ 1,880,777	

(1) Includes PPP loans with total outstanding principal of \$453.2 million and \$326.7 million and net unearned fees of \$10.5 million and \$6.6 million at March 31, 2021 and December 31, 2020.

(2) Unamortized net discounts include discounts related to the retained portion of SBA loans and net discounts on Non-PCI acquired loans. At March 31, 2021, net discounts related to loans acquired in the PCB acquisition totaled \$3.4 million that is expected to be accreted into interest income over a weighted average remaining life of 3.6 years. At December 31, 2020, net discounts related to loans acquired in the PCB acquisition totaled \$3.9 million.

## Allowance for Loan losses

	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
	<i>(dollars in thousands)</i>		
Balance, beginning of period	\$ 19,167	\$ 18,734	\$ 13,522
Provision for loan losses	—	100	2,700
Charge-offs	(2)	(5)	(28)
Recoveries	106	338	24
Net recoveries (charge-offs)	104	333	(4)
Balance, end of period	<u>\$ 19,271</u>	<u>\$ 19,167</u>	<u>\$ 16,218</u>
Annualized net recoveries to average loans	0.02%	0.07%	—%

## Credit Quality (1)

	March 31, 2021	December 31, 2020
		<i>(dollars in thousands)</i>
Accruing loans past due 90 days or more	\$ —	\$ —
Non-accrual loans	4,114	6,099
Troubled debt restructurings on non-accrual	77	347
Total nonperforming loans	4,191	6,446
Foreclosed assets	—	—
Total nonperforming assets	<u>\$ 4,191</u>	<u>\$ 6,446</u>
Troubled debt restructurings - on accrual	<u>\$ 317</u>	<u>\$ 319</u>
Nonperforming loans as a percentage of total loans held for investment	0.21%	0.34%
Nonperforming assets as a percentage of total assets	0.17%	0.28%
Allowance for loan losses as a percentage of total loans held for investment	0.95%	1.02%
Allowance for loan losses as a percentage of total loans held for investment excluding PPP loans	1.22%	1.23%
Allowance for loan losses as a percentage of nonperforming loans	459.82%	297.35%
Allowance for loan losses as a percentage of nonperforming assets	459.82%	297.35%
Accruing loans held for investment past due 30 - 89 days	\$ 1	\$ 54

(1) Excludes purchased credit impaired loans with a net carrying value of \$722 thousand, and \$761 thousand at March 31, 2021, December 31, 2020.

## GAAP to Non-GAAP Reconciliation

The following tables present a reconciliation of non-GAAP financial measures to GAAP measures for: (1) efficiency ratio, (2) pre-tax pre-provision income, (3) average tangible common equity, (4) return on average tangible common equity, (5) tangible common equity, (6) tangible assets, (7) tangible common equity to tangible asset ratio, and (8) tangible book value per share. We believe the presentation of certain non-GAAP financial measures provides useful information to assess our consolidated financial condition and consolidated results of operations and to assist investors in evaluating our financial results relative to our peers. These non-GAAP financial measures complement our GAAP reporting and are presented below to provide investors and others with information that we use to manage the business each period. Because not all companies use identical calculations, the presentation of these non-GAAP financial measures may not be comparable to other similarly titled measures used by other companies. These non-GAAP measures should be taken together with the corresponding GAAP measures and should not be considered a substitute of the GAAP measures.

	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
<b>Efficiency Ratio</b>	<i>(dollars in thousands)</i>		
Noninterest expense (numerator)	\$ 12,097	\$ 12,321	\$ 11,519
Net interest income	\$ 23,831	\$ 23,533	\$ 19,173
Plus: Noninterest income	2,254	4,194	1,415
Total net interest income and noninterest income (denominator)	<u>\$ 26,085</u>	<u>\$ 27,727</u>	<u>\$ 20,588</u>
Efficiency ratio	46.4%	44.4%	56.0%
<b>Pre-tax pre-provision income</b>			
Net interest income	\$ 23,831	\$ 23,533	\$ 19,173
Noninterest income	2,254	4,194	1,415
Total net interest income and noninterest income	26,085	27,727	20,588
Less: Noninterest expense	12,097	12,321	11,519
Pre-tax pre-provision income	<u>\$ 13,988</u>	<u>\$ 15,406</u>	<u>\$ 9,069</u>
<b>Return on Average Assets, Equity, Tangible Equity</b>			
Net income	\$ 9,758	\$ 10,794	\$ 4,546
Average assets	\$ 2,418,946	\$ 2,288,205	\$ 1,727,401
Average shareholders' equity	285,620	278,049	264,869
Less: Average intangible assets	78,309	78,501	79,083
Average tangible common equity	<u>\$ 207,311</u>	<u>\$ 199,548</u>	<u>\$ 185,786</u>
Return on average assets	1.64%	1.88%	1.06%
Return on average equity	13.86%	15.44%	6.90%
Return on average tangible common equity	19.09%	21.52%	9.84%

	As of	
	March 31, 2021	December 31, 2020
<b>Tangible Common Equity Ratio/Tangible Book Value Per Share</b>	<i>(dollars in thousands, except per share amounts)</i>	
Shareholders' equity	\$ 287,412	\$ 280,741
Less: Intangible assets	78,193	78,381
Tangible common equity	<u>\$ 209,219</u>	<u>\$ 202,360</u>
Total assets	\$ 2,500,744	\$ 2,283,115
Less: Intangible assets	78,193	78,381
Tangible assets	<u>\$ 2,422,551</u>	<u>\$ 2,204,734</u>
Equity to assets ratio	11.49%	12.30%
Tangible common equity to tangible asset ratio	8.64%	9.18%
Shares outstanding	11,824,487	11,705,684
Book value per share	\$ 24.31	\$ 23.98
Tangible book value per share	\$ 17.69	\$ 17.29



## Q1 2021 Overview

April 26, 2021



# Disclosures

## FORWARD LOOKING STATEMENTS

In addition to historical information, certain matters set forth herein constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to management's beliefs, projections and assumptions concerning future results and events. Forward-looking statements, include descriptions of management's plans or objectives for future operations, products or services, and forecasts of the Company's revenues, earnings or other measures of economic performance. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management and on the information available to management at the time that this presentation was prepared and can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words or phrases such as "aim," "can," "may," "could," "predict," "should," "will," "would," "believe," "anticipate," "estimate," "expect," "hope," "intend," "plan," "potential," "project," "will likely result," "continue," "seek," "shall," "possible," "projection," "optimistic," and "outlook," and variations of those words and similar expressions or the negative version of those words or phrases.

Forward looking statements involve substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. There are many factors that could cause actual results to differ materially from those contemplated by these forward-looking statements. The Company does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements except as required by law. Any statements about future operating results, such as those concerning accretion and dilution to the Company's earnings or shareholders, are for illustrative purposes only, are not forecasts, and actual results may differ. Risks and uncertainties that could cause our financial performance to differ materially from our goals, plans, expectations and projections expressed in forward-looking statements include those set forth in our filings with the SEC, including under Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 as may be supplemented and/or amended by our Quarterly Reports on Form 10-Q as filed subsequent thereto.

## ADDITIONAL RISK FACTORS

The coronavirus (COVID-19) outbreak has had and may continue to have a material and adverse impact on certain of our customers directly or indirectly. Entire industries within our loan portfolio, such as the accommodations and food services industry, have experienced quarantine-related precipitous declines in demand for their products and services. Other industries we service have likewise experienced disruptions in their supply chain as well as quarantine-related declines in demand. In addition, such events could affect the stability of our deposit base, lead to mass layoffs and furloughs which could impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans, result in lost revenue or cause us to incur additional expenses and losses. In 2020, the Federal Reserve took extreme measures to reduce interest rates to near zero in an attempt to boost consumer spending and indicated that it would leave interest rates near zero for the foreseeable future as it projected a long road to recovery from the pandemic-induced economic downturn. The extraordinarily low interest rate environment that has prevailed in the wake of the COVID-19 pandemic has put and will continue to put downward pressure on the Company's net interest margin, a key profitability indicator for the Company. Although we maintain contingency and disaster recovery plans for pandemic outbreaks, even with these precautions, the prolonged impact of the COVID-19 pandemic could negatively impact the availability of key personnel or significant numbers of our staff, many of whom are essential to the conduct of our business. A prolonged COVID-19 pandemic and the potential for future and more serious waves of the COVID-19 pandemic could also impact the business and operations of third party service providers who perform critical services for our business. If the COVID-19 pandemic continues or containment and mitigation measures prove unsuccessful, we may experience a material adverse effect on our business, financial condition, and results of operations.

## Our Franchise

### First Choice Bank

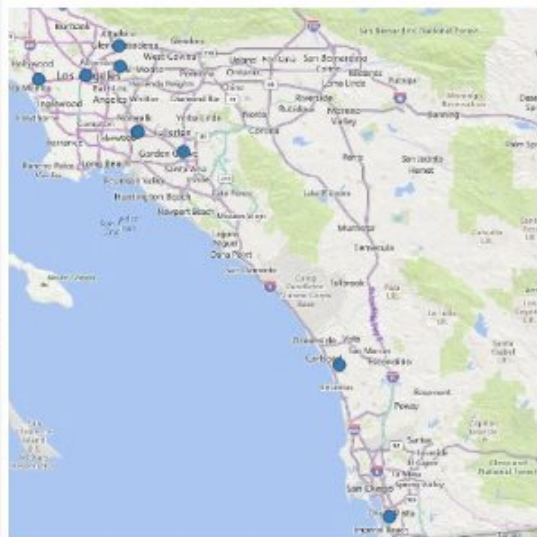
- Founded in 2005 and headquartered in Cerritos, California, we are a community-focused commercial bank serving SoCal
- With 8 branches and 2 LPOs, we specialize in making loans to small- to medium-sized businesses, including C&I, CRE with a hospitality niche, and SBA 7a and 504 loans
- We are a Preferred SBA Lender and participated in the Paycheck Protection Program and the Main Street Lending Program. We are currently participating in an additional round of the Paycheck Protection Program
- We exceed our clients' expectations through our commitment to our motto to be "First in Speed, Service, and Solutions"

### Financial Highlights: Q1'21

- |                                |   |
|--------------------------------|---|
| • \$2.5bn Assets               | • CBLR <sup>1</sup> : 9.76%             |
| • \$2.0bn Loans HFI            | • Efficiency Ratio <sup>2</sup> : 46.4% |
| • \$1.9bn Deposits             | • NPAs/Assets: 0.17%                    |
| • ROAA: 1.64%                  | • AIII/Loans HFI (ex-PPP): 1.22%        |
| • ROATCE <sup>2</sup> : 19.09% |   |

<sup>1</sup> Preliminary until Call Report is filed on or before April 30, 2021.  
<sup>2</sup> Non-GAAP measure. See reconciliation to GAAP in the Appendix.

### Southern California Footprint

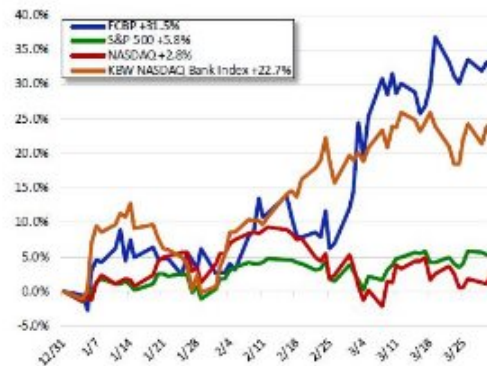


## Q1'2021 Results

### Q1'21 Highlights – Continued High Performance

- Net income of \$9.8mm or \$0.82 per diluted share
  - \$5.3mm increase over Q1'20
  - \$1.0mm decrease from Q4'20, primarily from decrease in Q1'21 loan sales and related gain of \$2.6 mm
- PTPP Net Income of \$14.0mm
- NIM stable at 4.20% primarily due to favorable yields on recent loan originations
- Efficiency ratio of 46.4% driven by strong revenues and continued expense management
- Excluding PPP, \$25.3mm of organic loan growth
- TBV per share increased \$0.40 to \$17.69

### Q1'21 Superior Stock Price Performance



### Improving Asset Quality

- Non-performing loans decreased \$2.2mm to \$4.2mm or 0.21% of total loans held for investment
- 7 loans were upgraded and returned to accrual status or paid in full in Q1'21
- Allowance for loan losses of \$19.3mm or 1.22% of loans held for investment ("HFI"), excluding PPP loans
  - No Q1'21 loan loss provision given favorable recoveries, risk rating upgrades and loss rates

## Key Investment Highlights

### Financial Performance

- Solid performance in Q1'21 and well poised for recovering economy
- Demonstrated ability to generate strong organic balance sheet growth
- Consistent growth of tangible book value per share
- Above peer group net interest margin

### Premier Community Bank Franchise

- First in Speed, Service, and Solutions approach
- Top ranked SBA Lender in Southern California
- Focused on building a stronger company for the future

### Prudent Risk Management

- Robust governance processes
- Superior credit record with strong asset quality metrics
- Proactive relationship management

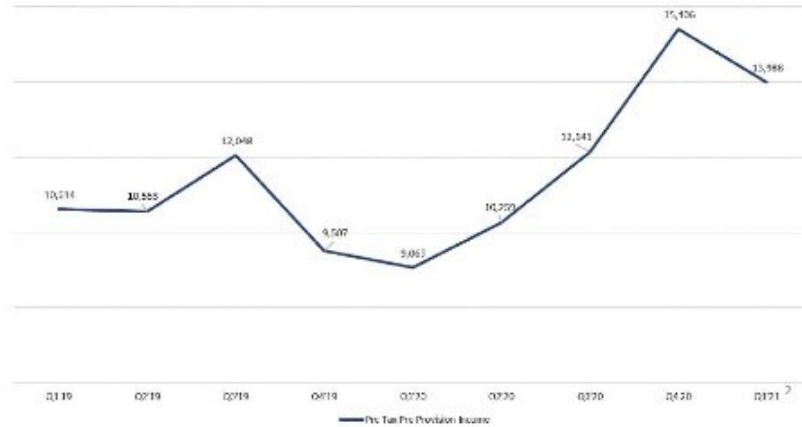
### Experienced & Diverse Leadership

- Executive management has on average 30+ years of through the cycle banking experience
- More than 50% of senior management identified as female
- Inclusive leadership development programs in place to develop bench
- Board has deep in-market experience with specialty credits

## Pre-Tax Pre-Provision Income Trend

Q1'21 PTPP Income<sup>1</sup> decreased 9% vs prior quarter, but remains strong

\$ in thousands

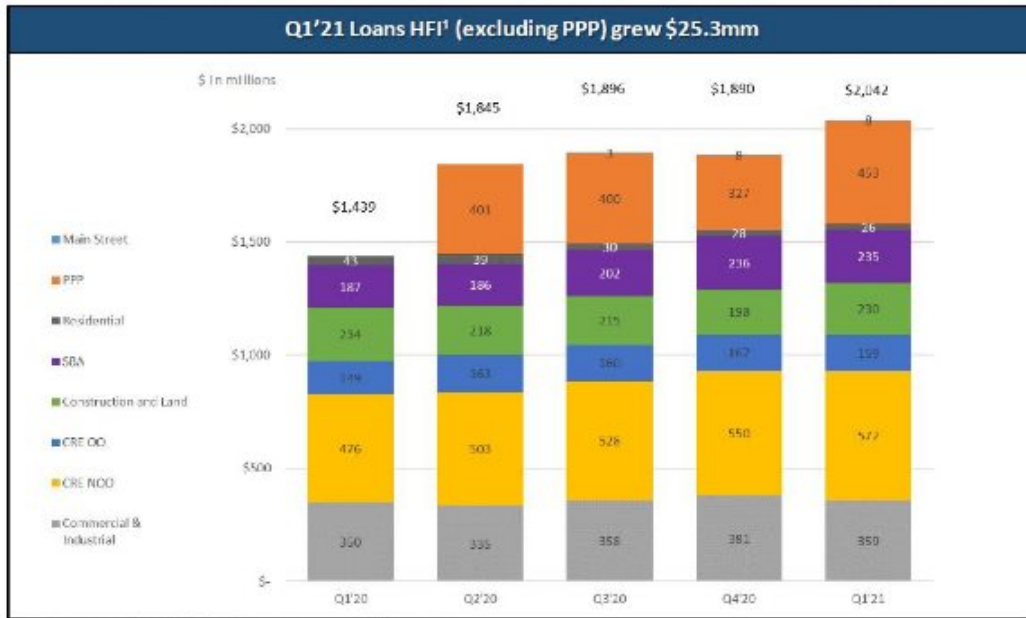


<sup>1</sup> Non-GAAP measure. See reconciliation to GAAP in the Appendix.

<sup>2</sup> In Q1'21, Sale of SBA and Main Street loans decreased resulting in a \$2.6 million decrease in gain on sale of loans as compared to Q4'20.

## Strong Growth in Loans HFI

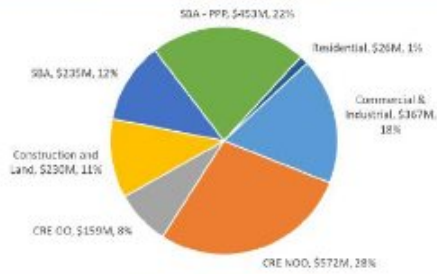
Core franchise continues to generate organic loan growth despite industry wide low loan demand



<sup>1</sup> Represents loans held for investment, net of discounts.

# Diverse Loan Portfolio

### Loans by Product Type

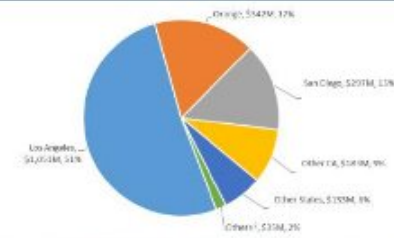


### Loan Yields by Product Type

Loan Type (\$ in millions)	Total		Q1 '21 Vintage <sup>3</sup>	
	Balances <sup>1</sup>	Loan Yield <sup>2</sup>	Principal Balance	Interest Rate
Construction and Land	\$ 230	5.29%	\$ 50	5.06%
Residential	26	4.22%	-	NA
CRE OO	159	5.77%	13	4.49%
CRE NOO	572	5.35%	52	4.61%
Commercial & Industrial	367	4.95%	55	4.46%
SBA	235	5.33%	30	5.02%
<b>Total excluding PPP</b>	<b>1,580</b>	<b>5.27%</b>	<b>200</b>	<b>4.74%</b>
SBA - PPP	453	3.76%	194	1.00%
<b>Grand Total</b>	<b>\$ 2,042</b>	<b>4.97%</b>	<b>\$ 394</b>	<b>2.89%</b>

1. Total loans held for investment, net of discount, at March 31, 2021.
2. Loan yield for the three months ended March 31, 2021.
3. Represents loans that were originated or renewed during Q1'21.

### Loans by Geography<sup>1</sup>



1. Represents loans held for investment, net of discount by primary borrower zip code at March 31, 2021.
2. Includes borrowers where information is not available or residence is outside the USA.

### SBA Portfolio<sup>1</sup> Details

Top 5 Industries <sup>2</sup> (\$ in millions)	SBA		\$ Total	% of Total
	Guaranteed	Unguaranteed		
Restaurants	\$ 83	\$ 17	\$ 100	14.5%
Hotels	56	25	81	11.8%
Professional, Scientific, and Technical Services	47	27	74	10.8%
Health Care and Social Assistance	46	13	59	8.6%
Construction	43	8	51	7.4%
Manufacturing	40	18	58	8.4%
Others	163	102	265	38.5%
<b>Total SBA Portfolio</b>	<b>\$ 478</b>	<b>\$ 210</b>	<b>\$ 688</b>	<b>100.0%</b>

1. Includes SBA PPP loans.
2. Based on Industry NNCS code.

## PPP Loan Program Updates

### PPP Loans Updates

1. In 2020, originated \$400mm to over 1,875 customers
  - a. Funded \$253mm with PPP LF @ 35bps
  - b. In Q1'21, received \$67.9mm of forgiveness and repayments (life-to-date forgiveness of \$140.9mm)
  - c. Q1'21 accelerated deferred fee income of \$1.4mm (life-to-date of \$3.2mm)
2. In Q1'21, originated \$194mm to over 700 customers
  - a. Referred over \$15mm to FinTech
  - b. Expected to earn over \$130k of referral fee

### Impact on Net Interest Income and NIM

1. In Q1'21, earned \$3.7mm interest income from PPP loans
  - a. Accelerated deferred fee income of \$1.4mm from forgiveness and repayments; contributed 29bps to the QTD average loan yield and 25bps to NIM
  - b. Interest income & scheduled fee income totaled \$2.3mm; contributed 46bps to QTD average loan yield and 40bps to NIM
  - c. PPP LF interest expense totaled \$171k
  - d. In total, PPP loans had a negative impact of 13bps on NIM

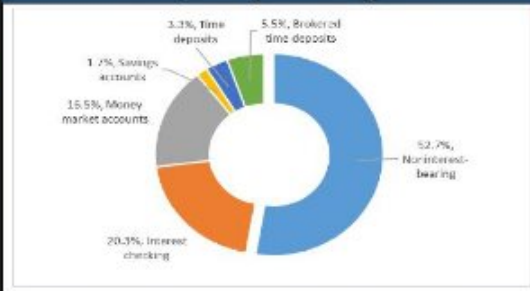
## Deposit Mix / Growth

**Deposit Yield by Product Type**

Deposit Type (\$ in millions)	Balances <sup>1</sup>	% of Total	Weighted average cost <sup>2</sup> (QTD)
Noninterest-bearing	\$ 999	52.7%	0.00%
Interest checking	386	20.3%	0.15%
Money market accounts	312	16.5%	0.25%
Savings accounts	32	1.7%	0.14%
Time deposits	63	3.3%	0.73%
Brokered time deposits	104	5.5%	0.57%
<b>Total</b>	<b>\$ 1,896</b>	<b>100.0%</b>	<b>0.13%</b>

1. Total deposits at March 31, 2021.  
2. Cost of deposits for the three months ended March 31, 2021.

**Deposits by Product Type**



**Historical Cost of Deposits**

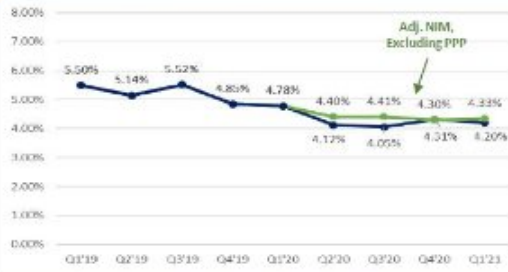


**Noninterest-bearing / Total Deposits**



# Net Interest Margin

## Sustainable NIM



## Actions to Mitigate NIM Compression

1. Maintaining pricing discipline in new loan originations
2. Floors in variable rate loans help maintain loan yields
  - a. 80% of loans are not subject to rate down risk
3. Active balance sheet management
  - a. Optimize cash and securities investments
  - b. Repricing interest checking, MMDA, savings, and wholesale funding
  - c. Opportunistically locking in long-term, low cost funding

## Total Portfolio Loan Yields



## Total Cost of Funds



# Credit Quality and Allowance Details



### ALLL by Loan Type

Loan Type (in thousands)	Mar 31, 2020	Jun 30, 2020	Sept 30, 2020	Dec 31, 2020	Mar 31, 2021
Construction and Land	\$ 2,498	\$ 2,470	\$ 2,375	\$ 2,129	\$ 2,536
Residential	333	361	275	233	220
CRE DD	844	1,365	1,282	1,290	1,305
CRE NOO	4,131	5,347	5,556	5,545	5,851
Commercial & Industrial	5,455	5,607	6,226	6,714	6,363
SBA	2,954	2,672	2,970	3,256	2,986
Consumer	3	-	-	-	-
<b>Total</b>	<b>\$ 16,218</b>	<b>\$ 17,822</b>	<b>\$ 18,734</b>	<b>\$ 19,167</b>	<b>\$ 19,271</b>

# Capital and Liquidity Ratios

**Tangible Common Equity<sup>1</sup>**



**Tangible Book Value per Share<sup>1</sup>**



**Tier 1 Leverage ("CBLR") Ratio<sup>2</sup>**



**Q1'21 Available Liquidity**

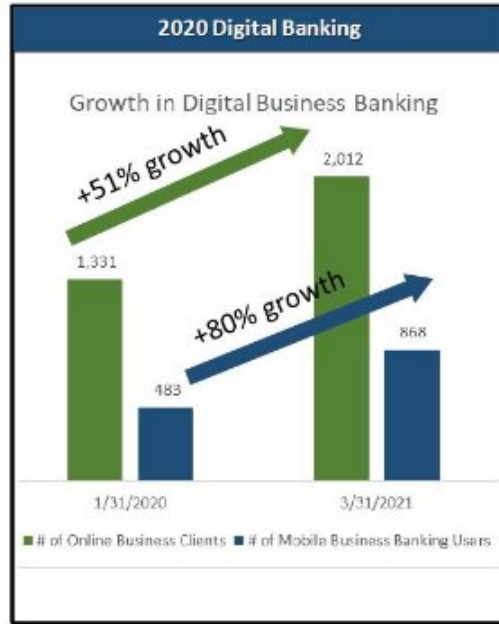
- The Bank is well positioned to meet loan demand in widely anticipated economic recovery scenarios

(\$ millions)	Available Capacity
Senior Secured Notes	25
Unsecured Lines of Credit	125
FRB Discount Window & PPP LF	393
FHLB	259
Brokered Deposits	117
<b>Total</b>	<b>\$ 919</b>

<sup>1</sup> Non-GAAP measure. See reconciliation to GAAP in the Appendix.  
<sup>2</sup> Preliminary until Call Report is filed on or before April 30, 2021.

# Increased Online Customer Activity

Customers have shifted their transactions away from physical branches to online channels



April 26, 2021

Source: Internal company metrics

# Social Responsibility



**Service and Philanthropy (as of Mar 31, 2021)**

- \$34,000 in donations to over 10 non-profit organizations that provided to the underserved to recover from the economic impact caused by the pandemic.
- 113 community service hours by FCB employees in the 1st Quarter shared their financial skills and knowledge with LMI residents in underserved communities

**Diversity and Inclusion (as of Mar 31, 2021)**

- Gender diversity at First Choice: 65% female of total workforce and more than 50% female of senior management
- Ethnic diversity at First Choice: 72% minority representation of total workforce and 36% minority representation of senior management

## Opportunities & Key Priorities

### Revenue

- New client acquisition for PPP and Main Street Lending customers
- Continue to develop in specialty deposit gathering niches
- Grow treasury management niches

### Net Interest Margin

- Floors in Loans have helped buoy NIM
- PPP forgiveness increases NIM
- Actively restructure & reprice wholesale and customer deposits

### Expenses

- Actively manage overhead costs; right sizing real estate expenses
- Leverage technology solutions to enhance process efficiencies
- Continue to invest in technology infrastructure to support growth

### Shareholder Value

- Seek to maintain quarterly dividend
- Consistently add tangible book value per share
- Continue to deliver superior financial performance to improve ROATCE

## Contact Information

NAME	TITLE & CONTACT
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## Appendix

**Use of Non-GAAP Financial Measures.** This presentation contains certain non-GAAP financial measures in addition to results presented in accordance with GAAP. The Company uses certain non-GAAP financial measures to provide meaningful supplemental information regarding the Company's results of operations and financial condition and to enhance investors' overall understanding of such results of operations and financial condition, permit investors to effectively analyze financial trends of our business activities, and enhance comparability with peers across the financial services sector. These non-GAAP financial measures are not a substitute for GAAP measures and should be read in conjunction with the Company's GAAP financial information. A reconciliation of GAAP financial measures to non-GAAP measures is included in the following slides.

## Non-GAAP Reconciliation

Efficiency Ratio	1Q21	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
					(\$ in thousands)				
Noninterest expense	\$ 12,097	\$ 12,321	\$ 11,528	\$ 11,100	\$ 11,519	\$ 11,284	\$ 10,651	\$ 10,605	\$ 10,700
Net interest income	23,831	23,533	21,726	20,304	19,173	19,208	21,026	18,836	19,192
Plus: Noninterest income	2,254	4,194	1,943	1,055	1,415	1,583	1,673	2,322	2,122
Total net interest income and noninterest income	\$ 26,085	\$ 27,727	\$ 23,669	\$ 21,359	\$ 20,588	\$ 20,791	\$ 22,699	\$ 21,158	\$ 21,314
Efficiency ratio	46.4%	44.4%	48.7%	52.0%	56.0%	54.3%	46.9%	50.1%	50.2%
<b>Pre-tax Pre-Provision Income</b>									
Net interest income	\$ 23,831	\$ 23,533	\$ 21,726	\$ 20,304	\$ 19,173	\$ 19,208	\$ 21,026	\$ 18,836	\$ 19,192
Noninterest income	2,254	4,194	1,943	1,055	1,415	1,583	1,673	2,322	2,122
Total net interest income and noninterest income	26,085	27,727	23,669	21,359	20,588	20,791	22,699	21,158	21,314
Less: Noninterest expense	12,097	12,321	11,528	11,100	11,519	11,284	10,651	10,605	10,700
Pre-tax pre-provision income	\$ 13,988	\$ 15,406	\$ 12,141	\$ 10,259	\$ 9,069	\$ 9,507	\$ 12,048	\$ 10,553	\$ 10,614

## Non-GAAP Reconciliation

### Return on Average Assets, Equity, Tangible Common Equity

	1Q21	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
	(\$ in thousands)								
Net income	\$ 9,758	\$ 10,794	\$ 7,881	\$ 5,730	\$ 4,546	\$ 5,958	\$ 8,071	\$ 6,811	\$ 7,008
Average assets	\$ 2,418,946	\$ 2,288,205	\$ 2,254,461	\$ 2,109,208	\$ 1,727,401	\$ 1,688,584	\$ 1,620,804	\$ 1,579,740	\$ 1,523,257
Average shareholders' equity	285,620	278,049	270,903	268,168	264,869	261,916	257,158	251,662	248,168
Less: Average intangible equity	78,309	78,501	78,696	78,901	79,083	79,336	79,535	79,731	79,928
	<u>\$ 207,311</u>	<u>\$ 199,548</u>	<u>\$ 192,207</u>	<u>\$ 189,267</u>	<u>\$ 185,786</u>	<u>\$ 182,580</u>	<u>\$ 177,623</u>	<u>\$ 171,931</u>	<u>\$ 168,240</u>
Return on average assets	1.64%	1.88%	1.39%	1.09%	1.06%	1.40%	1.98%	1.73%	1.87%
Return on average equity	13.86%	15.44%	11.57%	8.59%	6.90%	9.02%	12.45%	10.86%	11.45%
Return on average tangible common equity	19.09%	21.52%	16.31%	12.18%	9.84%	12.95%	18.03%	15.89%	16.89%

	As of								
Tangible Common Equity Ratio/ Tangible Book Value Per Share	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
	(\$ in thousands, except per share amounts)								
Shareholders' equity	\$ 287,412	\$ 280,741	\$ 272,471	\$ 266,949	\$ 263,307	\$ 261,805	\$ 258,670	\$ 254,121	\$ 248,135
Less: Intangible assets	78,193	78,381	78,574	78,767	78,960	79,153	79,411	79,608	79,805
Tangible common equity	<u>\$ 209,219</u>	<u>\$ 202,360</u>	<u>\$ 193,897</u>	<u>\$ 188,182</u>	<u>\$ 184,347</u>	<u>\$ 182,652</u>	<u>\$ 179,259</u>	<u>\$ 174,513</u>	<u>\$ 168,330</u>
Shares outstanding	11,824,487	11,705,684	11,705,878	11,697,766	11,662,603	11,635,531	11,652,582	11,737,441	11,650,020
Tangible book value per share	\$ 24.31	\$ 23.98	\$ 23.28	\$ 22.82	\$ 22.58	\$ 22.50	\$ 22.20	\$ 21.65	\$ 21.30
Book value per share	\$ 17.69	\$ 17.29	\$ 16.56	\$ 16.09	\$ 15.81	\$ 15.70	\$ 15.38	\$ 14.87	\$ 14.45

## First Choice Bancorp Announces Quarterly Cash Dividend

Cerritos, CA, April 26, 2021 (GLOBE NEWSWIRE) — First Choice Bancorp (NASDAQ: FCBP) (the “Company”), the holding company of First Choice Bank, today announced that its Board of Directors declared a \$0.25 per share cash dividend at its special meeting held on April 25, 2021. The dividend will be payable on or about May 24, 2021 to holders of the Company’s common stock of record as of the close of business on May 10, 2021.

### About First Choice Bancorp

First Choice Bancorp, headquartered in Cerritos, California, is the sole shareholder of and the registered bank holding company for, First Choice Bank. As of March 31, 2021, First Choice Bancorp had total consolidated assets of \$2.50 billion. First Choice Bank, also headquartered in Cerritos, California, is a community-based financial institution that serves primarily commercial and consumer clients in diverse communities and specializes in loans to small- to medium-sized businesses and private banking clients, commercial and industrial loans, and commercial real estate loans. First Choice Bank is a Preferred Small Business Administration (SBA) Lender. First Choice Bank conducts business through eight full-service branches and two loan production offices located in Los Angeles, Orange and San Diego Counties. Founded in 2005, First Choice Bank has quickly become a leading provider of financial services that enable our customers to grow, maintain strength, and achieve their business objectives. We strive to surpass our clients’ expectations through our efficiency, personalized services and financial solutions and professionalism and are committed to being “First in Speed, Service, and Solutions.” First Choice Bank is a strong believer in social justice and equality and is proud of its cultural- and gender-diverse workforce. As of March 31, 2021, more than 72% of the Company’s total workforce identified as ethnic minorities and more than 65% of its workforce and more than 50% of its senior management identified as female. First Choice Bancorp stock is traded on the Nasdaq Capital Market under the ticker symbol “FCBP.”

First Choice Bank’s website is [www.FirstChoiceBankCA.com](http://www.FirstChoiceBankCA.com).

### Forward-Looking Statements

The statements contained herein that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are based on management’s current expectations and beliefs concerning future developments and their potential effects on the Company including, without limitation, plans, strategies and goals, and statements about the Company’s expectations regarding revenue and asset growth, financial performance and profitability, loan and deposit growth, yields and returns, loan diversification and credit management, shareholder value creation and tax rates. There can be no assurance that future developments affecting the Company will be the same as those anticipated by management. Actual results may differ materially from those set forth in the forward-looking statements due to a variety of factors, including the risk factors described in documents filed by the Company with the Securities and Exchange Commission.

The Company does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements except as required by law. Any statements about future operating results, such as those concerning accretion and dilution to the Company’s earnings or shareholders, are for illustrative purposes only, are not forecasts, and actual results may differ.

### Contacts

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