



EARNINGS RELEASE

August 9, 2016

**FOR IMMEDIATE RELEASE**

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## **CHOICE BANCORP, INC. REPORTS CONSOLIDATED ASSETS OF \$303.5 MILLION**

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**Second Quarter 2016 Net Income of \$0.37 per share  
June 30, 2016 Consolidated Book Value of \$12.73 per share  
Choice Bank Introduces "Secure Checking"  
Choice Bank Celebrates its 10-Year Anniversary**

**August 2016 (Oshkosh, WI)** – Choice Bancorp, Inc. (the "Company") today reported net income of \$0.75 million, or \$0.37 per common share, for the quarter ended June 30, 2016. The Company also reported net income of \$1.50 million, or \$0.74 per common share, for the six months ended June 30, 2016. This compares to net income of \$0.66 million, or \$0.32 per common share, for the quarter ended June 30, 2015, and \$1.28 million, or \$0.62 per common share, for the six months ended June 30, 2015.

"The Company's operating results for the second quarter were strong and consistent with our first quarter results," said J. Scott Sitter, President and CEO of the Company. "We continued to see strong lending activity in our market area. The growth in our loan portfolio also allowed us to grow our balance sheet. The Company exceeded \$300 million in total assets during the second quarter." For the quarter, the Company is reporting loan growth of \$11.3 million and asset growth of \$11.1 million. During the first six months of 2016, the Company is reporting total asset growth of \$25.7 million. As of June 30, 2016, the Company had total consolidated assets of \$303.5 million.

In addition to growing its loan portfolio and assets, the Company is reporting strong mortgage lending activity for the first half of 2016. "We are seeing a lot of strength in our local residential market. New home sales have been strong and new home construction is definitely on the rise," Sitter said. "Our mortgage department has been extremely busy. We believe this trend will continue for the remainder of 2016." The Company is reporting non-interest income of \$0.39 million for the six months ending June 30, 2016. This compares to \$0.37 million for the six months ending June 30, 2015. It should be noted that non-interest income reported during the second quarter of 2015 included a pre-tax net gain of \$54,000 on the sale of real estate held.

In May, Choice Bank introduced several new checking account products including its flagship “Secure Checking” account. “We are very excited about our ‘Secure Checking’ account product and the numerous benefits that it provides,” said Sitter. “Identity Theft is a problem for all consumers. Our ‘Secure Checking’ account helps solve this problem with identity and credit report monitoring as well as identity theft expense reimbursement coverage and identity theft resolution services.” Choice Bank’s “Secure Checking” account provides continuous identity and credit report monitoring. The account also allows for debit and credit card registration, as well as free credit reports on a quarterly basis. If a customer becomes the victim of an identity theft, account holders can receive up to \$10,000 in identity theft expense reimbursement coverage. In addition, the account holder will have access to an identity theft resolution specialist who will assist in restoring the account holder’s credit and identity.

Sitter added, “This is a new account that is unique to our market place. In addition to the identity theft features, the ‘Secure Checking’ account provides cellular telephone protection, accidental death and dismemberment insurance, as well as travel and shopping discounts.” Sitter reported that the account has been received well by existing customers and new accounts are being opened on a daily basis.

#### SELECTED FINANCIAL DATA

(In thousands, except per share data)

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
<b>Financial Condition</b>		
Gross Loans (not held for resale)	\$ 260,250	\$ 233,288
Allowance for Loan Losses (ALLL)	4,905	5,085
Total Assets	303,473	277,767
Total Deposits	221,279	208,858
Total Other Borrowings	55,250	44,100
Stockholders’ Equity	25,746	24,172
Book Value per Share	\$ 12.73	\$ 11.92
<b>Financial Ratios</b>		
Tier 1 Leverage Capital	9.16%	9.74%
Total Capital to Risk-Weighted Assets	12.78%	13.63%
Nonperforming Assets to Total Assets	0.87%	0.88%
ALLL to Total Loans	1.88%	2.18%
ALLL to Nonaccrual Loans	259%	304%

	For the Three Months Ending		For the Six Months Ending	
	Jun 30, 2016	Jun 30, 2015	Jun 30, 2016	Jun 30, 2015
<b>Operating Results</b>				
Interest Income	\$ 3,046	\$ 2,669	\$ 5,957	\$ 5,167
Interest Expense	784	588	1,472	1,092
Net Interest Income	2,262	2,081	4,485	4,075
Provision for Loan Losses	30	0	60	0
Non-Interest Income	187	209	391	370
Non-Interest Expense	1,215	1,212	2,396	2,374
Provision for Income Taxes	457	413	919	792
Net Income	\$ 747	\$ 665	\$ 1,501	\$ 1,279
Earnings per Share	\$ 0.37	\$ 0.32	\$ 0.74	\$ 0.62

On July 26, 2016, Choice Bank celebrated its 10-year anniversary. "I would like to personally acknowledge Choice Bank's organizers and original shareholders," said Sitter. "The vision and entrepreneurial spirit that led to the formation of Choice Bank ten years ago is alive and well. Over the past ten years, we have been able to make a difference in Oshkosh and the surrounding area. I am extremely proud of our directors, our staff, and our shareholders." Choice Bank was formed in 2006 when a group of organizers raised \$21.6 million in equity capital to start a new community bank. Today, Choice Bank boasts \$303.5 million in total assets. Choice Bank is the fastest growing and largest community bank headquartered in Oshkosh.

### **Forward-Looking Statements**

*Statements in this press release relating to the Company's plans, objectives, expectations or future performance are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "may," "should," "anticipate," "estimate," "expect," "intend," "objective," "seek," "plan," "strive" or similar words, or negatives of these words, identify forward-looking statements. These forward-looking statements are based on management's current expectations. The Company's actual results in future periods may differ materially from those currently expected due to various risks and uncertainties. The forward-looking statements in this press release are made as of the date of the release and the Company does not assume any responsibility to update these statements.*

*Choice Bank, established in July 2006, is located at 2450 Witzel Avenue, Oshkosh with a second location at 2201 Jackson Street, Oshkosh. In March 2011, Choice Bank became a wholly-owned subsidiary of Choice Bancorp, Inc. Choice Bancorp, Inc. is a publicly traded, one-bank holding company, trading under the symbol of CBKW. Choice Bank is a locally owned and operated community bank dedicated to making a difference in your community!*

*Choice Bank...Your Community, Your Choice!*

*Member FDIC Equal Housing Lender*

*For additional information about Choice Bank, call (920) 230-1300 or visit [www.choicebank.com](http://www.choicebank.com).*

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