



EARNINGS RELEASE
November 3, 2016

FOR IMMEDIATE RELEASE

For further information contact
J. Scott Sitter, Choice Bank
(920) 267-8052

CHOICE BANCORP, INC. REPORTS 16.1% INCREASE IN EARNINGS PER SHARE

**Third Quarter 2016 Net Income of \$0.36 per share
September 30, 2016 Consolidated Book Value of \$12.80 per share
Consolidated Total Assets of \$319.1 million as of September 30, 2016
Choice Bank again recognized as "Best Bank" of Winnebago County**

November 2016 (Oshkosh, WI) – Choice Bancorp, Inc. (the "Company") today reported net income of \$0.80 million, or \$0.36 per common share, for the quarter ended September 30, 2016. The Company also reported net income of \$2.30 million, or \$1.03 per common share, for the nine months ended September 30, 2016. This compares to net income of \$0.64 million, or \$0.31 per common share, for the quarter ended September 30, 2015, and \$1.92 million, or \$0.94 per common share, for the nine months ended September 30, 2015.

"Choice Bank continues to see tremendous growth opportunities in our Oshkosh market. We are experiencing strong activity in both our commercial and residential lending departments," said J. Scott Sitter, President and CEO of the Company. The Company is reporting consolidated total assets of \$319.1 million as of September 30, 2016. This compares to consolidated total assets of \$277.8 million as of December 31, 2015. This represents a growth rate of 14.9%. Of the \$41.3 million of asset growth, \$36.4 million has been invested in gross loans.

"We are also seeing overwhelming acceptance of our new 'Secure Checking' account," said Sitter. "This account provides identity and credit report monitoring as well as expense reimbursement coverage and identity theft resolution services for all account holders." Choice Bank introduced its flagship "Secure Checking" account in May of 2016. In addition to providing identity and credit report monitoring, account holders can register their debit and credit cards and receive free credit reports on a quarterly basis. Account holders also receive cellular telephone protection, accidental death and dismemberment insurance, as well as travel and shopping discounts. "Identity Theft is a problem for all consumers. Our 'Secure Checking' account was designed to help address this problem with continuous monitoring of your identity and credit activity," added Sitter.

In October 2016, Choice Bank was again recognized as the “Best Bank” of Winnebago County. This represents the fourth consecutive year that Choice Bank has been recognized in the annual “Best of Winnebago” contest. “It is great for our staff to receive recognition for the excellent service they provide on a daily basis,” said Sitter. “In addition to being recognized in the ‘Best Bank’ category, we were also recognized in the ‘Best Mortgage Lender’ category. This is the second consecutive year that we were recognized in that category. Our staff works hard to meet the expectations of our customers and it is nice to see that our customers truly appreciate this experience. We understand that we are a people business.”

SELECTED FINANCIAL DATA

(In thousands, except per share data)

	<u>September 30, 2016</u>		<u>December 31, 2015</u>					
Financial Condition								
Gross Loans (not held for resale)	\$	269,683	\$	233,288				
Allowance for Loan Losses (ALLL)		4,942		5,085				
Total Assets		319,094		277,767				
Total Deposits		225,207		208,858				
Total Other Borrowings		64,299		44,100				
Stockholders’ Equity		28,457		24,172				
Book Value per Share	\$	12.80	\$	11.92				
Financial Ratios								
Tier 1 Leverage Capital		9.12%		9.74%				
Total Capital to Risk-Weighted Assets		12.49%		13.63%				
Nonperforming Assets to Total Assets		0.91%		0.88%				
ALLL to Total Loans		1.83%		2.18%				
ALLL to Nonaccrual Loans		229%		304%				
	<u>For the Three Months Ending</u>		<u>For the Nine Months Ending</u>					
	<u>Sep 30, 2016</u>	<u>Sep 30, 2015</u>	<u>Sep 30, 2016</u>	<u>Sep 30, 2015</u>				
Operating Results								
Interest Income	\$	3,249	\$	2,709	\$	9,206	\$	7,876
Interest Expense		825		599		2,297		1,691
Net Interest Income		2,424		2,110		6,909		6,185
Provision for Loan Losses		30		0		90		0
Non-Interest Income		238		171		629		541
Non-Interest Expense		1,341		1,243		3,737		3,617
Provision for Income Taxes		493		398		1,412		1,190
Net Income	\$	798	\$	640	\$	2,299	\$	1,919
Earnings per Share	\$	0.36	\$	0.31	\$	1.03	\$	0.94

During the third quarter, the Company received a capital injection of \$2.14 million from the exercise of Organizer Stock Warrants (“Warrants”) that were issued in 2006. Sitter explained, “During the formation of the Company in 2006, the original organizers received Warrants to purchase an aggregate of 213,750 shares of the Company’s common stock. The Warrants had a ten-year term that matured in July of 2016. Proceeds from this capital injection were used to pay down debt incurred through our Share Buyback Plan.” It is estimated that the exercise of the Warrants had a \$0.29 per share dilutive effect on the Company’s Book Value. “Despite the dilutive impact associated with the exercise of the Warrants, I am pleased to report a quarterly increase in our Book Value per Share,” said Sitter. The Company’s Book Value per Share increased from \$12.73 to \$12.80 during the quarter.

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.

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