



EARNINGS RELEASE

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FOR IMMEDIATE RELEASE

For further information contact

J. Scott Sitter, Choice Bank

(920) 267-8052

CHOICE BANCORP, INC. REPORTS 32.7% INCREASE IN NET INCOME

First Quarter 2018 Net Income of \$1.03 million (\$0.47 per share)

March 31, 2018 Consolidated Book Value of \$14.32 per share

March 31, 2018 Consolidated Assets of \$404.94 million

Choice Bank Announces July 9th as Opening Date for New Banking Office

April 2018 (Oshkosh, WI) – Choice Bancorp, Inc. (the “Company”) today reported net income of \$1.03 million, or \$0.47 per common share, for the quarter ended March 31, 2018. This compares to net income of \$0.77 million, or \$0.35 per common share, for the quarter ended March 31, 2017. The first quarter 2018 net income represents a 32.7% increase over first quarter 2017 net income.

“We are extremely pleased with our performance to start 2018,” said J. Scott Sitter, President and CEO of the Company. “Our first quarter 2018 operating results can be attributed to the tremendous asset growth that we experienced during the fourth quarter of 2017. We were able to recognize a full quarter of revenue from this growth. When combined with the lower corporate tax rates that became effective this year, our first quarter 2018 net income surpassed \$1.0 million.” Previously, Choice Bank reported asset growth of \$29.01 million for the fourth quarter of 2017 and \$65.80 million asset growth for all of 2017. The Tax Cuts and Jobs Act was signed into law in December of 2017. This legislation significantly reduced the federal income tax rate for corporations. The lower income tax rate became effective in January of 2018.

Net interest income continues to drive the Company’s overall earnings model. First quarter 2018 net interest income of \$2.83 million represents a \$0.32 million increase over first quarter 2017 net interest income. “As a community bank, we generate a majority of our total revenue from net interest income,” said Sitter. “By growing the balance sheet and increasing the size of our loan portfolio, we have been able to report consistent gains in our net interest income and our overall profitability.”

In addition to strong profitability, Choice Bank is also reporting a low level of problem assets. As of March 31, 2018, the Company is reporting \$0.35 million of nonaccrual loans. This represents 0.10% of the Bank’s gross loan portfolio. By comparison, the Company has established an allowance for possible loan losses of \$3.91 million, or 1.16% of gross loans. “Our loan portfolio is in great shape,” declared Sitter. “We have established a strong credit culture and the markets we serve are experiencing strong economic growth.” The City of

Oshkosh has several large developments under construction. This includes the new corporate headquarters for Oshkosh Corporation. The current unemployment rate for Winnebago County and the City of Oshkosh is 2.8%. “Our city government and our local economic development organizations have been very active in attracting new businesses and helping our existing companies grow,” added Sitter. “As the largest community bank headquartered in Oshkosh, we understand our role and we are excited for our future.”

SELECTED FINANCIAL DATA

(In thousands, except per share data)

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Financial Condition		
Gross Loans (not held for resale)	\$ 336,788	\$ 339,106
Allowance for Loan Losses (ALLL)	3,909	3,759
Total Assets	404,937	400,064
Total Deposits	259,324	250,848
Total Other Borrowings	112,645	117,798
Stockholders' Equity	31,402	30,346
Book Value per Share	\$ 14.32	\$ 13.94
Financial Ratios		
Tier 1 Leverage Capital	9.65%	9.88%
Total Capital to Risk-Weighted Assets	13.61%	13.24%
Nonperforming Assets to Total Assets	0.37%	0.40%
ALLL to Total Loans	1.16%	1.11%
ALLL to Nonaccrual Loans	1,115%	1,038%

	For the Three Months Ending	
	<u>Mar 31, 2018</u>	<u>Mar 31, 2017</u>
Operating Results		
Interest Income	\$ 4,209	\$ 3,420
Interest Expense	1,377	906
Net Interest Income	2,832	2,514
Provision for Loan Losses	150	120
Non-Interest Income	344	149
Non-Interest Expense	1,629	1,294
Provision for Income Taxes	371	476
Net Income	\$ 1,026	\$ 773
Earnings per Share	\$ 0.47	\$ 0.35

Progress continues on the construction of the Company's new banking headquarters at 1041 Emmers Lane in Oshkosh. Construction of the 16,000 square foot facility began in 2017 and completion is expected in May of 2018. "Over the past seven years, Choice Bank has more than tripled in size," said Sitter. "This growth requires additional space to facilitate our increased staffing needs. We believe that our new location at the corner of Emmers Lane and State Highway 21 will help attract new customers and will allow us to expand our banking services to the Oshkosh Community." Choice Bank recently announced that it will be closing its existing office at 2450 Witzel Avenue as of July 7, 2018. The Bank's new office at 1041 Emmers Lane will open on July 9, 2018.

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.choice.bank.