



EARNINGS RELEASE

July 27, 2017

FOR IMMEDIATE RELEASE

For further information contact

J. Scott Sitter, Choice Bank

(920) 267-8052

CHOICE BANCORP, INC. REPORTS CONSOLIDATED ASSETS OF \$352.9 MILLION

**Second Quarter 2017 Net Income of \$0.38 per share
June 30, 2017 Consolidated Book Value of \$13.82 per share
Choice Bank Expands Lending Staff
Choice Bank Recognized as Top Performing Community Bank**

July 2017 (Oshkosh, WI) – Choice Bancorp, Inc. (the “Company”) today reported net income of \$0.84 million, or \$0.38 per common share, for the quarter ended June 30, 2017. The Company also reported net income of \$1.61 million, or \$0.73 per common share, for the six months ended June 30, 2017. This compares to net income of \$0.75 million, or \$0.37 per common share, for the quarter ended June 30, 2016, and \$1.50 million, or \$0.74 per common share, for the six months ended June 30, 2016.

“The Company is reporting strong operating results for the second quarter of 2017,” said J. Scott Sitter, President and CEO of the Company. “Our second quarter net income of \$0.84 million was 8.28% higher than our first quarter results. We exceeded our budget for the quarter and we continue to see strong growth opportunities in our marketplace.”

For the first time in its eleven year history, the Company is reporting total assets in excess of \$350.0 million. “We continue to see strong economic activity in the market that we serve,” said Sitter. “Oshkosh and the Fox River Valley are reporting strong employment numbers. In addition, new home sales and commercial construction and manufacturing activity continue to be the primary drivers for our local economy.” During the first six months of 2017, the Company is reporting total asset growth of \$18.6 million. A majority of this growth, \$15.4 million, is from an expansion of the Company’s loan portfolio. Sitter highlighted significant developments in the Oshkosh area, “Oshkosh’s largest employer, Oshkosh Corporation, recently announced several new manufacturing contracts for its Oshkosh facility. In addition, the City of Oshkosh was recently selected as the home for the new Milwaukee Bucks’ developmental league team. Construction of a new \$20.0 million arena is underway and the Wisconsin Herd will begin its inaugural season in November.”

During the second quarter, the Company hired two new mortgage loan officers. “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 is extremely busy and we believe this trend will continue. We recently had the opportunity to hire two experienced local mortgage lenders. Chad Miller was hired in April after spending ten years as a mortgage lender at a local community bank. George Thada was hired in May after spending twenty years as a mortgage originator and supervisor at a local branch for a multi-state money center bank. Choice Bank has a strong reputation for offering high-quality, professional customer service. Chad and George complement our current staff and will make our mortgage department even stronger.”

Choice Bank has begun construction of its new banking facility at 1041 Emmers Lane in Oshkosh. “After much planning, we have started construction of our new corporate headquarters on the corner of Emmers Lane and State Highway 21,” said Sitter. “This facility will give us additional space and will position us well for future growth.” The 16,000 square foot commercial building is expected to be completed in May of 2018. Upon completion of the new building, the Company will close its existing banking office on Witzel Avenue.

SELECTED FINANCIAL DATA

(In thousands, except per share data)

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Financial Condition		
Gross Loans (not held for resale)	\$ 298,563	\$ 283,182
Allowance for Loan Losses (ALLL)	5,092	4,909
Total Assets	352,860	334,264
Total Deposits	222,222	222,535
Total Other Borrowings	98,700	82,177
Stockholders' Equity	30,272	28,611
Book Value per Share	\$ 13.82	\$ 13.05
Financial Ratios		
Tier 1 Leverage Capital	10.86%	11.08%
Total Capital to Risk-Weighted Assets	14.81%	15.21%
Nonperforming Assets to Total Assets	1.74%	0.66%
ALLL to Total Loans	1.71%	1.73%
ALLL to Nonaccrual Loans	83%	223%

	For the Three Months Ending		For the Six Months Ending	
	Jun 30, 2017	Jun 30, 2016	Jun 30, 2017	Jun 30, 2016
Operating Results				
Interest Income	\$ 3,745	\$ 3,046	\$ 7,165	\$ 5,957
Interest Expense	970	784	1,876	1,472
Net Interest Income	2,775	2,262	5,289	4,485
Provision for Loan Losses	120	30	240	60
Non-Interest Income	166	187	315	391
Non-Interest Expense	1,466	1,215	2,760	2,396
Provision for Income Taxes	518	457	994	919
Net Income	\$ 837	\$ 747	\$ 1,610	\$ 1,501
Earnings per Share	\$ 0.38	\$ 0.37	\$ 0.73	\$ 0.74

For the second consecutive year, Choice Bank has been nationally recognized as a Top Performing Community Bank. Every May, the American Banker publishes its annual list of the Top-200 Community Banks in the United States. Last year, Choice Bank was ranked as the 132nd best Community Bank in the country. This year, Choice Bank was ranked as the 74th best Community Bank in the country. The rankings are based on average Return on Equity over the past three years. "I am extremely pleased with the American Banker recognition for our accomplishments over the past several years," said Sitter. "I am very proud of our staff. Our success is the direct result of their dedication and hard work." Based on the American Banker rankings, Choice Bank was identified as the 3rd best Community Bank headquartered in Wisconsin.

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.

###