



EARNINGS RELEASE

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FOR IMMEDIATE RELEASE

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CHOICE BANCORP, INC. REPORTS 14.1% INCREASE IN NET INCOME

**Second Quarter 2018 Net Income of \$0.44 per share
June 30, 2018 Consolidated Book Value of \$14.77 per share
Choice Bank Recognized as Top Performing Community Bank**

July 2018 (Oshkosh, WI) – Choice Bancorp, Inc. (the “Company”) today reported net income of \$0.95 million, or \$0.44 per common share, for the quarter ended June 30, 2018. The Company also reported net income of \$1.98 million, or \$0.90 per common share, for the six months ended June 30, 2018. This compares to net income of \$0.84 million, or \$0.38 per common share, for the quarter ended June 30, 2017, and \$1.61 million, or \$0.73 per common share, for the six months ended June 30, 2017.

“The Company is reporting strong operating results for the second quarter of 2018,” said J. Scott Sitter, President and CEO of the Company. “Our second quarter 2018 net income of \$0.95 million was 14.1% higher than our second quarter 2017 results. For the first six months of 2018, our net income of \$1.98 million was 23.0% higher than the first six months of 2017. We exceeded our budget for the quarter in all areas of operations.”

In addition to higher net income, the Company is also reporting strong credit quality metrics. “Problem areas within our loan portfolio are minimal at this time,” said Sitter. “Our delinquency ratio of 0.14% is impressive. We attribute this to effective underwriting, a strong credit culture, and the economic vitality of the markets we serve.” As of June 30, 2018, the Company is reporting \$0.45 million of nonperforming and delinquent loans. Of this total, \$0.25 million is guaranteed by the Small Business Administration. The Company’s primary market consists of the City of Oshkosh and Winnebago County. The most recent economic data for these markets indicate an unemployment rate of 2.4%.

Consistent with first quarter 2018 data, the Company is reporting flat asset growth for the second quarter of 2018. Total assets as of June 30, 2018 were \$398.72 million, down slightly from \$400.06 million as of December 31, 2017. “By design, we have curbed our asset growth during the first half of this year,” Sitter responded. “We have experienced double-digit growth for each of the past six years. Although this growth has proved beneficial in establishing a strong earnings model and enhancing shareholder value, it has also

stressed some of our liquidity and capital ratios. As we transition into our new building, we feel it is prudent to pause and allow some of these key ratios to catch up. We serve a growing market and we anticipate continued growth in our assets in the future.” Sitter highlighted significant developments in the Oshkosh area including new construction of Oshkosh Corporation’s new headquarters and recently announced multi-family developments along the city’s riverfront. “Between new developments around Oshkosh Corporation’s headquarter site and continued developments in the Sawdust District, Oshkosh will have a lot of activity over the next several years. Choice Bank will play a significant role in the financing of these projects.”

SELECTED FINANCIAL DATA

(In thousands, except per share data)

	<u>June 30, 2018</u>		<u>December 31, 2017</u>	
Financial Condition				
Gross Loans (not held for resale)	\$	321,332	\$	339,106
Allowance for Loan Losses (ALLL)		4,059		3,759
Total Assets		398,724		400,064
Total Deposits		252,389		250,848
Total Other Borrowings		112,289		117,798
Stockholders’ Equity		32,414		30,346
Book Value per Share	\$	14.77	\$	13.94
Financial Ratios				
Tier 1 Leverage Capital		9.87%		9.88%
Total Capital to Risk-Weighted Assets		14.44%		13.24%
Nonperforming Assets to Total Assets		0.40%		0.40%
ALLL to Total Loans		1.26%		1.11%
ALLL to Nonaccrual Loans		914%		1,038%
Operating Results				
	<u>For the Three Months Ending</u>		<u>For the Six Months Ending</u>	
	<u>Jun 30, 2018</u>	<u>Jun 30, 2017</u>	<u>Jun 30, 2018</u>	<u>Jun 30, 2017</u>
Interest Income	\$	4,287	\$	3,745
Interest Expense		1,444		970
Net Interest Income		2,843		2,775
Provision for Loan Losses		150		120
Non-Interest Income		245		166
Non-Interest Expense		1,627		1,466
Provision for Income Taxes		356		518
Net Income	\$	955	\$	837
Earnings per Share	\$	0.44	\$	0.38
			\$	0.90
			\$	0.73

For the third 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 Publicly-Traded Community Banks in the United States. This year, Choice Bank was ranked as the 105th 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 of 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 recognized as the 3rd best Publicly-Traded 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 is located at 1041 N Westhaven Drive, Oshkosh with a second location at 2201 Jackson Street, Oshkosh. Choice Bank is 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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