



EARNINGS RELEASE

August 4, 2015

**FOR IMMEDIATE RELEASE**

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## **CHOICE BANCORP, INC. REPORTS 20.5% INCREASE IN NET INCOME**

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**Second Quarter 2015 Net Income of \$0.32 per share  
June 30, 2015 Consolidated Book Value of \$11.23 per share  
Share Buyback Program a Success**

**August 2015 (Oshkosh, WI)** – Choice Bancorp, Inc. (the “Company”) today reported net income of \$0.66 million, or \$0.32 per common share, for the quarter ended June 30, 2015. The Company also reported net income of \$1.28 million, or \$0.62 per common share, for the six months ended June 30, 2015. This compares to net income of \$0.55 million, or \$0.25 per common share, for the quarter ended June 30, 2014, and \$1.01 million, or \$0.45 per common share, for the six months ended June 30, 2014.

“The strong performance that our Company experienced in the first quarter of this year continued and accelerated into our second quarter,” said J. Scott Sitter, President and CEO of the Company. “During the second quarter, we continued to experience a substantial increase in our lending activity. Our loan portfolio has increased \$18.46 million, or 9.5%, over the first six months of the year.” The Company is reporting gross loans of \$213.29 million and total assets of \$252.81 million as of June 30, 2015. “While the strength of our local economy impacts overall results,” Sitter added. “I also attribute Choice Bank’s growth to our high level of customer service and the consumer’s desire to bank locally with people they know.”

In addition to the strong portfolio lending experienced by the Company, Choice Bank is also reporting a resurgence in mortgage lending activity. The Company has seen its mortgage fee income double during the first half of 2015. “We are seeing strength in all facets of our mortgage lending,” Sitter stated. “While we still see some refinancing activity, a majority of our mortgage activity is now coming from new construction and existing home sales.” The Company is reporting non-interest income of \$0.37 million for the six months ending June 30, 2015. This compares to \$0.22 million for the six months ending June 30, 2014. In addition to the higher mortgage revenue, the Company also reported a modest gain from the sale of other real estate owned. “During the second quarter,” Sitter added. “We sold a parcel of other real estate that provided an after-tax net gain of \$34,000.”

Sitter continued, “We also recognized a significant recovery from a prior charged-off loan. While this did not impact our quarterly earnings, it increased our loan loss reserve by \$290,000.” As of June 30, 2015, the Company is reporting a loan loss reserve of \$5.11 million. Nonperforming loans as of June 30, 2015 were a modest \$1.55 million. For the fourth consecutive quarter, the Company has suspended additional provisions to the loan loss reserve.

## SELECTED FINANCIAL DATA

(In thousands, except per share data)

	<u>June 30, 2015</u>		<u>December 31, 2014</u>	
<b>Financial Condition</b>				
Gross Loans (not held for resale)	\$	213,288	\$	194,832
Allowance for Loan Losses (ALLL)		5,115		4,824
Total Assets		252,810		233,241
Total Deposits		194,175		189,124
Total Other Borrowings		34,650		20,000
Stockholders’ Equity		23,157		23,573
Book Value per Share	\$	11.23	\$	10.59
<b>Financial Ratios</b>				
Tier 1 Leverage Capital		9.56%		10.10%
Total Capital to Risk-Weighted Assets		14.07%		15.09%
Nonperforming Assets to Total Assets		0.91%		0.99%
ALLL to Total Loans		2.40%		2.48%
ALLL to Nonaccrual Loans		329%		309%
<b>Operating Results</b>				
	<b>For the Three Months Ending</b>		<b>For the Six Months Ending</b>	
	<b>Jun 30, 2015</b>	<b>Jun 30, 2014</b>	<b>Jun 30, 2015</b>	<b>Jun 30, 2014</b>
Interest Income	\$	2,669	\$	2,419
Interest Expense		588		459
Net Interest Income		2,081		1,960
Provision for Loan Losses		0		75
Non-Interest Income		209		134
Non-Interest Expense		1,212		1,109
Provision for Income Taxes		413		358
Net Income	\$	665	\$	552
Earnings per Share	\$	0.32	\$	0.25
			\$	5,167
			\$	4,720
				863
				3,857
				150
				219
				2,257
				657
				1,012
				0.45

On February 12, 2015, the Company announced a Share Buyback Program for outstanding shares of Choice Bancorp common stock. Through June 30, 2015, the Company has acquired 164,662 shares of its common stock at a cost of \$1.73 million, or an average cost of \$10.49 per share. "As we approach our self-imposed limit of \$2.0 million, management is very pleased with the result of our Share Buyback Program," said Sitter. "We are using our recent performance and strong capital position to provide a source of liquidity to our shareholders." Sitter commented that through the Share Buyback Program, the Company has assisted 80 shareholders with an efficient and cost effective means of liquidating their investment. "As the buyback program approaches its limit, we will continue to do our best in meeting the needs of our shareholders. We are continuously assessing our financial forecasts and our capital requirements. If feasible, we may look to announce a similar shareholder program in 2016."

### **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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