



EARNINGS RELEASE

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FOR IMMEDIATE RELEASE

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CHOICE BANCORP, INC. REPORTS NET INCOME OF \$2.60 MILLION FOR 2015

2015 Earnings of \$1.28 per share (25.5% increase)

December 31, 2015 Consolidated Book Value of \$11.92 per share (12.6% increase)

Consolidated Total Assets of \$277.77 million as of December 31, 2015 (19.1% increase)

Choice Bank is now the Largest Community Bank Headquartered in Oshkosh

February 2016 (Oshkosh, WI) – Choice Bancorp, Inc. (the “Company”) today reported net income of \$2.60 million, or \$1.28 per common share, for the year ended December 31, 2015. For the three months ended December 31, 2015, the Company reported net income of \$0.68 million, or \$0.34 per common share. This compares to net income of \$2.26 million, or \$1.02 per common share, for the year ended December 31, 2014, and \$0.66 million, or \$0.29 per common share, for the three months ended December 31, 2014.

“2015 was an extremely successful year for the Company and our affiliate, Choice Bank,” said J. Scott Sitter, President and CEO of the Company. “We exceeded our goals in nearly every category. By growing our asset base by \$44.53 million, we were able to increase our annual net interest income by \$0.48 million. In addition, strong activity in our mortgage lending department throughout the year allowed us to report a 36.2% increase in our non-interest income.” The Company reported \$8.32 million in net interest income for 2015. This represents a 6.10% increase over 2014. Higher interest revenue was driven by an expansion of the Company’s loan portfolio. As of December 31, 2015, the Company reported Gross Loans of \$233.29 million, a \$38.46 million increase over December 31, 2014.

“Fourth quarter loan activity was strong,” said Sitter. “We recognized a \$14.27 million surge in our loan balances during the quarter. This activity expanded our balance sheet by \$18.77 million as we finished the year with total assets of \$277.77 million.” Choice Bancorp has increased its total assets by \$102.62 million over the past four years. Based on FDIC information as of December 31, 2015, Choice Bank has become the largest community bank headquartered in Oshkosh. “Strategically, we focus more on credit quality and profitability rather than growth. However, growing the balance sheet allows us to better serve the community and it helps us distribute overhead and regulatory expenses over a larger asset base.” Choice Bank has averaged annualized asset growth of 15.28% over the past six years.

Choice Bank continues to report minimal credit issues in its loan portfolio. As of December 31, 2015, the Company is reporting total nonperforming assets of \$2.45 million (0.88% of total assets). This total consists of \$1.67 million of nonaccrual loans and \$0.78 million of Other Real Estate Owned (OREO). For the year ended December 31, 2015, the Company had loan charge-offs of \$30,000 and recoveries on prior charge-offs of \$291,000. "The Company's loan portfolio continues to perform well. We have established a loan loss reserve of \$5.08 million to support the risks associated with our loan portfolio. This reserve is over 3.0 times the level of our nonaccrual loans." Sitter continued, "For the second consecutive year, we are reporting net recoveries in our loan portfolio. In November, we engaged an outside firm to perform an external review of our entire loan portfolio. This review produced favorable comments and was consistent with the internal grading of our commercial credits." Because of favorable credit quality, Choice Bank was able to suspend its quarterly provision to the loan loss reserve for all of 2015.

The Company reported strong mortgage loan activity for 2015. Fee income generated from the higher mortgage volume increased by \$0.97 million (42.6%) for the year. Sitter cited an increase in new home sales as one reason for this increase. "New home sales were steady in our market area for all of 2015. This was a trend that began during the second half of 2014. With long-term interest rates still at historically low levels, we are able to assist home buyers with attractive mortgage products and also help existing home owners who wish to refinance their mortgages." Sitter added, "In 2015, our mortgage lending team began utilizing a new mortgage servicing platform through our membership with the Federal Home Loan Bank of Chicago. The feedback from our customers has been excellent. By servicing our mortgage loans locally, we have been able to enhance the customer's overall experience when purchasing or refinancing a home through Choice Bank." In 2014, Choice Bank became certified by the Federal Home Loan Bank to offer mortgage products through its Mortgage Partnership Finance ("MPF") program. The MPF program allows Choice Bank to offer long-term, fixed-rate mortgage products that can be serviced locally through Choice Bank's offices at 2450 Witzel Avenue and 2201 Jackson Street, Oshkosh.

Choice Bank continues to add to its web-based and mobile banking platforms as an attractive alternative to traditional brick and mortar banking. In 2013, Choice Bank launched its Mobile Banking Platform and in 2014 the Bank enhanced its website to be mobile and tablet friendly. In 2015, Choice Bank customized its mobile banking app and began offering remote deposit capture through its mobile banking platform. "Our retail customers can now enjoy the convenience of depositing checks by utilizing the camera feature on their smart phones," said Sitter. "We will continue to monitor all of our product delivery platforms to provide the most up-to-date experience for our customers."

For 2016, the Company is looking to expand on the Share Buyback Program that was originally announced in February of 2015. Through the Share Buyback Program, the Company has purchased 201,522 shares of common stock from existing shareholders. Sitter stated, "This Program has been well received by our shareholders. It provides a source of liquidity that would not exist otherwise." Any shareholder who may be interested in utilizing the Share Buyback Program can contact Choice Bancorp at (920) 230-1300. Sitter indicated that the Program is completely voluntary.

SELECTED FINANCIAL DATA

(In thousands, except per share data)

	<u>December 31, 2015</u>		<u>December 31, 2014</u>	
Financial Condition				
Gross Loans (not held for resale)	\$	233,288	\$	194,832
Allowance for Loan Losses (ALLL)		5,085		4,824
Total Assets		277,767		233,241
Total Deposits		208,858		189,124
Total Other Borrowings		44,100		20,000
Stockholders' Equity		24,172		23,573
Book Value per Share	\$	11.92	\$	10.59
Financial Ratios				
Tier 1 Leverage Capital		9.74%		10.10%
Total Capital to Risk-Weighted Assets		13.63%		15.09%
Nonperforming Assets to Total Assets		0.88%		0.99%
ALLL to Total Loans		2.18%		2.48%
ALLL to Nonaccrual Loans		304%		309%
Operating Results				
	For the Three Months Ending		For the Year Ending	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Interest Income	\$ 2,810	\$ 2,503	\$ 10,686	\$ 9,623
Interest Expense	679	487	2,370	1,785
Net Interest Income	2,131	2,016	8,316	7,838
Provision for Loan Losses	0	0	0	150
Non-Interest Income	121	143	662	486
Non-Interest Expense	1,143	1,093	4,760	4,464
Provision for Income Taxes	426	410	1,616	1,449
Net Income	\$ 683	\$ 656	\$ 2,602	\$ 2,261
Earnings per Share	\$ 0.34	\$ 0.29	\$ 1.28	\$ 1.02

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.