



EARNINGS RELEASE
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FOR IMMEDIATE RELEASE
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CHOICE BANCORP, INC. REPORTS THIRD QUARTER NET INCOME OF \$0.79 MILLION

Choice Bank Opens New Corporate Headquarters
Year-to-Date 2018 Net Income of \$2.77 Million (\$1.26 per share)
September 30, 2018 Consolidated Book Value of \$15.11 per share
September 30, 2018 Consolidated Total Assets of \$429.53 Million

October 2018 (Oshkosh, WI) – Choice Bancorp, Inc. (the “Company”) today reported net income of \$0.79 million, or \$0.36 per common share, for the quarter ended September 30, 2018. The Company also reported net income of \$2.77 million, or \$1.26 per common share, for the nine months ended September 30, 2018. This compares to net income of \$0.80 million, or \$0.37 per common share, for the quarter ended September 30, 2017, and \$2.41 million, or \$1.11 per common share, for the nine months ended September 30, 2017.

“Historically, the just completed third quarter of 2018 represents a significant milestone for Choice Bank and Choice Bancorp, Inc.,” said J. Scott Sitter, President and CEO of the Company. “In July, we ceased operations at our Witzel Avenue location and began conducting business from our new corporate headquarters. This move has been overwhelmingly accepted by our existing customers. In addition, the response from our new neighbors and the Oshkosh community has been outstanding. Our lobby traffic has increased significantly and we have noticed a dramatic rise in new account openings.” Choice Bank’s new corporate headquarters is located at 1041 N. Westhaven Drive, Oshkosh. The Bank obtained authorization from the FDIC and the Department of Financial Institutions to relocate its corporate banking headquarters to the larger Westhaven Drive location. Groundbreaking for the new building was in August of 2017. Choice Bank opened its new banking office on July 9, 2018.

As of September 30, 2018, the Company is reporting a significant increase in its total assets. Consolidated total assets were \$429.53 million as of quarter-end. This compares to \$398.72 million as of the prior quarter-end, June 30, 2018. “Our quarterly growth of \$30.80 million in total assets was truly remarkable,” said Sitter. “The energy surrounding our new office, combined with our outstanding staff and their ability to connect with our customers’ needs, generated asset growth that greatly exceeded our expectations. I cannot overstate how our employees have embraced this move and have handled our growing volume of business. Our entire staff is simply remarkable. They are what makes Choice Bank a leader in the Oshkosh market.”

The Company is reporting \$33.19 million of stockholders' equity as of September 30, 2018. This represents a book value of \$15.11 per share. Book value per share has increased \$1.17 for the nine months ending September 30, 2018. "The Company has seen its stockholders' equity and book value per share increase dramatically over the past several years," Sitter explained. "Through the nine months ending September 30, 2018, the Company is reporting annualized Return on Equity of 11.17%. This is a key metric that management measures as we attempt to maximize shareholder returns while maintaining a strong capital base."

SELECTED FINANCIAL DATA

(In thousands, except per share data)

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
Financial Condition		
Gross Loans (not held for resale)	\$ 331,188	\$ 339,106
Allowance for Loan Losses (ALLL)	4,209	3,759
Total Assets	429,527	400,064
Total Deposits	282,291	250,848
Total Other Borrowings	112,134	117,798
Stockholders' Equity	33,189	30,346
Book Value per Share	\$ 15.11	\$ 13.94
Financial Ratios		
Tier 1 Leverage Capital	9.57%	9.88%
Total Capital to Risk-Weighted Assets	14.42%	13.24%
Nonperforming Assets to Total Assets	0.14%	0.40%
ALLL to Total Loans	1.27%	1.11%
ALLL to Nonaccrual Loans	1,061%	1,038%

	<u>For the Three Months Ending</u>		<u>For the Nine Months Ending</u>	
	<u>Sep 30, 2018</u>	<u>Sep 30, 2017</u>	<u>Sep 30, 2018</u>	<u>Sep 30, 2017</u>
Operating Results				
Interest Income	\$ 4,419	\$ 3,749	\$ 12,915	\$ 10,914
Interest Expense	1,618	1,078	4,439	2,954
Net Interest Income	2,801	2,671	8,476	7,960
Provision for Loan Losses	150	120	450	360
Non-Interest Income	214	203	803	518
Non-Interest Expense	1,803	1,457	5,059	4,217
Provision for Income Taxes	271	497	998	1,491
Net Income	\$ 791	\$ 800	\$ 2,772	\$ 2,410
Earnings per Share	\$ 0.36	\$ 0.37	\$ 1.26	\$ 1.11

The Company continues to enjoy the benefits of a strong economy by reporting no charge-off activity during 2018. As of September 30, 2018, the Company's nonperforming assets represent 0.14% of its total assets. In addition, the Company's loan loss reserve account has a balance of \$4.21 million. This represents 1.27% of its total loan portfolio and 10.6 times the level of its nonaccrual loans. "Nationally, the country is reporting strong economic data. Locally, the City of Oshkosh and Winnebago County continue to report robust economic activity and low levels of unemployment," Sitter added. "We expect this trend to continue for the foreseeable future." Based on the most recent data, the City of Oshkosh and Winnebago County are reporting unemployment rates of 3.00%.

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.choice.bank.

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